0856-B-03 PREX 7.10:FBIS-EAS-92-213

For Official Use Only

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Annex

East Asia

The information printed on these Annex pages preceding and following the standard Daily Report cover bears the caveat FOR OFFICIAL USE ONLY. Users may detach the outer pages and treat the Daily Report as unclassified and unrestricted.

FBIS-EAS-92-213-A
Tuesday
3 November 1992

JB 99-014232

For Official Use Only

JL: 43-51; 58, 59

COMPLETED

East Asia
ANNEX

FBIS-EAS-92-213-A

CONTENTS

3 November 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ANNEX

Japan

Editorial on U.S. Presidential Campaign *[MAINICHI SHIMBUN 2 Nov]* .... 1 — ii
Polls Show Relations With U.S. Worsening *[YOMIURI SHIMBUN 1 Nov]* .... 1 — ii
Firms in U.S. 'Shaken' by New Tax Law Plan *[NIHON KEIZAI SHIMBUN 31 Oct]* .... 2 — iii
Supercomputer Talks With U.S. End Without Accord *[NIHON KEIZAI SHIMBUN 30 Oct]* .... 3 — iv
Tokyo To Monitor Projects in N. Territories *[YOMIURI SHIMBUN 28 Oct]* .... 3 — iv
UNIDO Official on Aid to DPRK, Vladivostok *[NIHON KEIZAI SHIMBUN 21 Oct]* .... 4 — v
Asian Pacific Economic Integration Urged *[NIHON KEIZAI SHIMBUN 1 Nov]* .... 4 — v
NASDA To Resume Tests on H-2 Rocket Engine *[NIHON KEIZAI SHIMBUN 26 Oct]* .... 5 — vi
Articles View High-Technology Industry .... 6 — vii
  'Myth' Shaken *[NIHON KEIZAI SHIMBUN 28 Oct]* .... 6 — vii
  Software Development Emphasized *[NIHON KEIZAI SHIMBUN 30 Oct]* .... 7 — 73
NEC Introduces New Personal Computers *[MAINICHI SHIMBUN 27 Oct]* .... 8 — 74
Food Agency To Reduce Rice Stock in 1993 *[NIHON KEIZAI SHIMBUN 25 Oct]* .... 9 — 75
Papers Take Inward Look During 'Newspaper Week' *[THE JAPAN TIMES 1 Nov]* .... 9 — 75
Kanemaru Mulls Returning 500 Million Yen *[NIHON KEIZAI SHIMBUN 26 Oct]* .... 10 — 76
Editorial Against Political Concessions at Diet *[NIHON KEIZAI SHIMBUN 29 Oct]* .... 10 — 76
Obuchi Asks Faction Not To Join Ozawa Group *[NIHON KEIZAI SHIMBUN 29 Oct]* .... 11 — 77

Mongolia

Pakistan Ambassador Presents Credentials *[MONTSAME to BAKHTAR]* .... 11 — 77
Official Marks 30 Years of UNESCO Work *[MONTSAME to BAKHTAR]* .... 11 — 77
Harvest Complete in Key Granary Region *[MONTSAME to BAKHTAR]* .... 11 — 77
MONTSAME Carries Ulannbaatar Press Review .... 12 — 78
  30 Oct *[MONTSAME to BAKHTAR]* .... 12 — 78
  31 Oct *[MONTSAME to BAKHTAR]* .... 12 — 78

Japan

Editorial on U.S. Presidential Campaign

OW0311110392 Tokyo MAINICHI SHIMBUN in Japanese 2 Nov 92 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Editorial: "U.S. Presidential Election and Key Players"]

[Text] From time to time, the U.S. presidential election has been compared to a marathon race. Presidential candidates engaged in this long-lasting race appear to be in a neck-and-neck tie as they enter the stadium to reach the finish line.

According to results of a joint poll conducted by CNN and other American media that was released on 30 October, Arkansas Governor Clinton was 1 percentage point ahead of President Bush. The results of another poll conducted by NEWSWEEK also showed that candidate Clinton had only a 2-point edge over the incumbent president.

It can be said that President Bush, who lagged 15 percentage points behind candidate Clinton as recently as a few days ago, succeeded in catching up with the Democratic presidential candidate at the crucial finish of the race. The Bush campaign camp is supposedly hoping for a miraculous reversal in the presidential election. President Bush is believed to have narrowed the gap with candidate Clinton thanks to the higher-than-expected 2-percent economic growth during the July-September quarter and the effective Republican campaign strategy aimed at raising questions about the Democratic presidential candidate's ability to run the United States.

One may well say that President Bush is trying his utmost to stay in the race until the end. We would like to note that there is a remarkably wide variation in the opinion polls conducted in the United States and considerable fluctuation in the support ratings for all three candidates, however.

We are particularly reminded that President Bush enjoyed a nearly 90-percent support rating shortly before the presidential election campaign was launched. The president's popular support rating was so high that potential Democratic presidential candidates gave up their bids for the presidency without engaging the president in the election.

Meanwhile, Governor Clinton faced difficulties in winning even the Democratic nomination. Faced with exposures of his scandal with a woman and the issue of his draft dodging, candidate Clinton suffered from a low popular support rating. A reversal occurred in the wake of the Democratic Party convention, and at one point, Clinton was leading President Bush by 30 percentage points.

Although there are problems with the way of conducting the polls and analyzing their results, the U.S. mass media usually point out the existence of another element working behind the polls: the "volatility" of voters.

The term volatility implies such adjectives as "capricious," "whimsical," "prone to violence," and "nearly explosive." In economic terms, it means a state of "violent fluctuation" in the market. Those adjectives well describe the psychological state of the American people, who are seriously agonizing over the issues and are irritated and frustrated but are still trying to probe into various issues in the course of the presidential election.

If this is happening to the American people, the question is what on earth is agonizing and irritating them so much.

It is necessary to think about two aspects to understand this: the end of the cold war and the serious ills of American society, including the economic slump.

President Bush basked in high popular approval because of his superb diplomatic ability that led the Soviet Union to end the cold war and that defeated Iraq in the Gulf war after turning world opinion against Iraq. The more happily he savored the victory and joy, the more explicitly he exposed his inability to cope with issues at home, however.

President Bush, who inherited the mantle of the Reagan administration, has stressed the need to expand the economy, which has remained in a slump since November 1982. Nonetheless, the U.S. economy has continued to be in a slump, and the unemployment rate has grown since the outbreak of the Gulf war. The reduction of the fiscal deficit, the restoration of international competitiveness, the improvement of education and the reform of the medical and welfare systems are tasks to be urgently tackled, and all of them are closely related with the future of the United States.

The "volatile" American voters are key players, having forced President Bush to pursue a policy of attaching greater importance to domestic issues, having prodded Perot to join the race for the presidency, and having catapulted Governor Clinton of the baby-boom generation into the presidential race.

The presidential election, set to be held on 3 November (4 November Japan time), will be a historical process to affirm the basic principle of American democracy that those volatile American voters are key players who lead American politics.

Polls Show Relations With U.S. Worsening

OW0211054492 Tokyo YOMIURI SHIMBUN in Japanese 1 Nov 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] According to a joint Japan-U.S. public opinion poll conducted this autumn by YOMIURI SHIMBUN in

II

Japan and the Gallup Organization in the United States, the number of Japanese and Americans who feel relations between their two countries are "good" has plummeted, while those who think relations are "poor" has risen sharply. Only 8 percent of U.S. respondents felt Japan was a "trustworthy nation." It was the first time since the joint survey began that less than 10 percent of those asked in the United States felt Japan was trustworthy. Japan ranked at an all-time low of 14th in the list of countries Americans found trustworthy. It is true that Americans currently place importance on domestic issues, but as there is no specific dispute between Japan and the United States at the moment, the deterioration in relations between the two is expected to become an important issue in both countries.

The Yomiuri-Gallup annual joint survey was started in 1978. This year's was conducted in Japan in late September, and between late September and mid-October in the United States.

On the U.S. presidential election, the survey asked which candidate would do the most to "improve relations between Japan and the United States"—the Republican candidate George Bush or the Democratic Party candidate Bill Clinton? Forty one percent of Japanese respondents chose Bush, while only 14 percent chose Clinton. Meanwhile, 38 percent of the U.S. respondents said Bush would do the most to improve relations with Japan, compared to 33 percent who chose Clinton. Bush, Clinton and independent candidate Ross Perot are contesting the U.S. presidential election. The survey also disclosed that, "Bush has the edge over the other two candidates," on the issue of Japanese-U.S. relations.

Thirty percent of Japanese respondents—down 11 points on the previous year—said that present relations between Japan and the United States were "very good" or "good." Only 26 percent of U.S. respondents—down 16 points on last year—said present bilateral relations were "very good" or "good." It was the first time that Japanese respondents were more optimistic about bilateral relations than those in the United States.

Meanwhile, 25 percent of Japanese said present bilateral relations were "poor." This figure was up seven points on the previous year and was second only to the 1987 figure of 27 percent. In the United States, 19 percent of respondents—almost twice as many as last year (10 percent)—said Japanese-U.S. relations were "poor."

The survey asked respondents to choose five "trustworthy nations" from among a list of 31. The United States continued to top the list for the Japanese. In percentage terms there was a decline of six points on the previous year to 51 percent, however, the fourth lowest figure since the survey was established.

Japan was ranked 14th by Americans on their list of trustworthy countries, a drop of one place from last year's 13th.

Asked what they thought had been the cause of the economic friction between the United States and Japan during the past few years, the majority of respondents (47 percent of Japanese and 50 percent of Americans) said it was "excessive exports by Japan to the United States." Thirty nine percent of both Japanese and Americans felt "differences in thinking" were the cause. Meanwhile, 34 percent of Japanese blamed trade friction on "differences in the quality of products," while 38 percent of Americans blamed the "closed nature of the Japanese market system."

It is noteworthy that differences in thinking ranked second as a cause of the friction.

Another question addressed the Japanese-U.S. security treaty, and asked Japanese and Americans whether or not it was in their interests. Fifty three percent of Japanese said it was "greatly" or "to some extent" in Japan's interest, while 32 percent said it was "not very much" or "not at all" in Japan's national interest.

In the United States, 61 percent said it was in the U.S. national interest, compared to 28 percent who said the treaty was "not very much" or "not at all" in their country's interest.

On the issue of the UN Peacekeeping Operations (PKO) Cooperation Law recently enacted in Japan to help the country increase its international contributions, the survey asked whether or not respondents would support the participation of Self-Defense Force [SDF] personnel in UN peacekeeping operations in Cambodia. The issue provoked much controversy in Japan.

Fifty four percent of Japanese "supported" participation, while 4[illegible] percent "opposed" it. Meanwhile, 66 percent of Americans—12 points higher than the percentage in Japan—"supported" SDF participation in the UN peace keeping mission in Cambodia, while 19 percent—less than half of the percentage in Japan—"opposed" it.

Firms in U.S. 'Shaken' by New Tax Law Plan

OW0311045192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Oct 92 Evening Edition p 1—FOR OFFICIAL USE ONLY

[By reporter Okada]

[Text] New York, 30 October—Japanese companies in the United States have been severely shaken by the recent decision of U.S. taxation authorities to impose higher taxes on foreign companies.

Backed by Congressional demands for heavier taxation on foreign companies, the Internal Revenue Service (IRS) intends to introduce "taxation on deemed profits" in a regulation review scheduled for the year end. Under the new taxation policy, taxes on foreign companies will be estimated according to the profits of U.S. companies no matter how much they actually earn. Profit rates

///

among Japanese companies are generally lower than those of U.S. companies, and Japanese companies are likely to suffer from drastic tax increases when the regulation is introduced.

Moreover, Democratic Party presidential candidate Clinton has a plan to strengthen the tax collection function of the IRS. Japanese companies are afraid that "taxes will certainly be increased when the Democrats win the presidential election."

When foreign electronic appliance or automobile manufacturers sell their products through subsidiaries, tax authorities have to prevent tax evasion through illegal price manipulation. To seize transactions between parent companies and their subsidiaries overseas, most advanced nations follow the practice of demanding a sales profit report using the wholesale price (transfer price) as sales price to the third party.

The IRS plans, when it is difficult to discover profit rates using this practice, to impose "taxes based on the average profits of U.S. competitors," however. IRS officials say that the new taxation method would be an exceptional measure, but it is likely to be used frequently because it is a very easy way for tax offices to calculate the amount of tax.

The IRS is planning to revise taxation rules within this year to enforce new policies starting in January 1993. In addition, the IRS is conducting intensive tax examinations in New York, and some Japanese companies have already been charged a penalty tax.

When the profit rate for U.S. companies in the industrial field is at 5 percent of sales, Japanese companies will have to pay 4 percent tax on their sales, even if their profit rate is only 1 percent. It is believed profit rates for Japanese companies are generally 3 percent lower than those of U.S. companies. The "taxation on deemed profits" will certainly distress Japanese companies through higher taxation.

Smaller subsidiaries in the United States are not financially strong. If the U.S. Government adopts the tax hike measure, they will be forced to drastically review management policies, such as profit-sharing rates with parent companies in Japan. A major accounting office said that "Japanese companies are afraid that some of them will have to give up business in the United States."

It is believed that the regulation review will be implemented regardless of the presidential election result. Moreover, candidate Clinton plans to strengthen the tax collection system through a drastic reinforcement of IRS staff, and Democrats may pass tax hike bills such as the "Bill for Rationalizing and Simplifying International Taxes" (or the so-called Rostenkowski Bill).

Japanese companies in the United States are likely to be forced to review their business strategy.

Supercomputer Talks With U.S. End Without Accord

OW3010061292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Oct 92 Morning Edition—FOR OFFICIAL USE ONLY

[Text] On 29 October, Japan and the United States concluded follow-up talks on the Japanese Government's supercomputer procurement policy. On the final day of the two-day meeting, the U.S. side expressed concern over a recent decision by the Advisory Supercomputer Procurement Screening Committee of the Prime Minister's Office. Regarding the committee's dismissal of a complaint filed by Cray Research Inc., U.S. negotiators claimed the decision was based on imperfect technical examinations. Also, the U.S. expressed dissatisfaction with the record of Japan's purchase of U.S.-made computers, noting that U.S.-made computers do not sell well in Japan because of questionable screening procedures by the Japanese.

The Japanese side explained there were no questionable points in screening procedures for Cray computers, but U.S. negotiators were not convinced of the explanation. Concerning an NEC supercomputer which beat the Cray model for a contract with the Education Ministry's Nuclear Fusion Science Institute, the U.S. noted there are doubtful points in the NEC model's specification since it shows incredibly high capability. The U.S. said they will carefully watch if the NEC computer actually has such capability when it is completed.

During the period between April 1990 and October 1992, Japanese Government agencies ordered 11 supercomputers, and U.S. manufacturers won three contracts among them. In response to U.S. complaints of screening procedures, the Japanese stressed that "all agencies choose contractors without any bias toward foreign companies," saying Japan cannot assure such blame on the accessibility the Japanese market.

Moreover, the Japanese side noted the equipment procurement policy of the U.S. Government is rather closed to foreign companies on the pretext of security concerns, and asked for an explanation on this point; the U.S. refused to discuss the issue, however, saying "this meeting is supposed to focus on questions concerning the Japanese market, not the U.S. market." While the Japanese requested opportunities to discuss this issue, the two sides could not achieve an agreement on holding meetings on the U.S. Government's procurement policy.

Tokyo To Monitor Projects in N. Territories

OW0111013492 Tokyo YOMIURI SHIMBUN in Japanese 28 Oct 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] Companies from Hong Kong, Japan, and other foreign nations have become active in promoting business projects in the northern territories. Under such circumstance, the government decided on 27 October that concerned ministries—such as the Ministry of Foreign Affairs, the Ministry of International Trade and Industry, the Ministry of Finance, and the Ministry of Justice—should cooperate in strengthening measures to monitor business operations conducted by companies from Japan or third-party nations. In concrete terms, among the business activities to be monitored are: 1) registration of joint ventures; 2) flow of foreign exchange; and 3) acquisition of visas to visit Sakhalin Oblast, which has jurisdiction over the four northern islands. By strengthening such monitoring, the government intends to check in advance the activities of companies.

As stated by a high-ranking Ministry of Foreign Affairs official, the government has decided to strengthen its monitoring through the cooperation of all concerned ministries because it has concluded that if no measures should be taken against business projects on the northern territories, "such projects may be regarded as accomplished facts and become an obstacle to the territorial talks." Particularly, the government expresses concern over the adverse influence the establishment of Japanese-Russian joint ventures may have on future territorial talks. According to the same official: "It is feared the establishment of joint ventures may be cited by the Russians as a pretext for opposing Japan's claim to the northern territories."

On 26 October the executive committee of the Russian Supreme Council adopted a draft on the Kuril Islands economic development project. The draft is expected to be submitted to the Supreme Council. As stated by Ministry of Foreign Affairs spokesman Masamichi Hanabusa, under such circumstances the government intends to once again call on the Russians to practice self-restraint, saying such actions will "throw a wrench into moves toward concluding a peace treaty."

Among projects to be launched on the four northern islands are a Hong Kong company contract with Shikotan for leasing its land to develop tourism (the project was later abolished) and an Austrian company's plans to construct a golf course on Kunashiri (the actual name of the company, however, cannot be confirmed). This indicates that Russia's Sakhalin Oblast, which has these islands under its jurisdiction, has strong expectations for promoting economic development. It is against this background that projects for business operations worked out by companies from Japan and third-party nations have surfaced.

However, no legal measures can be taken to suspend such business projects. In an effort to check such projects, the Ministry of Foreign Affairs states: "Even if the four northern islands are returned to Japan in the future, the government will not compensate possible losses for these projects." Thus a ministry source stresses there will be no merits for companies to engage in such projects on the northern territories.

UNIDO Official on Aid to DPRK, Vladivostok

OW2710093592 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Oct 92 Morning Edition p 9—FOR OFFICIAL USE ONLY

[Report on an interview with J.M. Duroa, chief of the industrial investment bureau of the UN Industrial Development Organization, UNIDO, by an unidentified reporter in Osaka on 20 October]

[Text] J.M. Duroa [name as published], chief of the industrial investment bureau of the UN Industrial Development Organization (UNIDO), an organization for assisting developing nations in their industrialization, granted an interview to a NIHON KEIZAI SHIMBUN reporter in Osaka on 20 October. In the interview, Duroa disclosed that UNIDO intends to start cooperating with the DPRK in improving its legal system, including the law on foreign investment, so that foreign investment in the DPRK will be promoted smoothly. As for the "Greater Vladivostok Development Project," centering on Vladivostok in Russia's Far East region, Duroa disclosed a plan to cooperate with the European Bank of Recovery and Development (EBRD) to help the project materialize. This will be the EBRD's first business operation in Asia.

Duroa pointed out: "The economic situation in North Korea is unstable; therefore, even if plans for investment should be worked out, there would be, in fact, a limit to companies' investments." Then, he stressed that from UNIDO's standpoint, priority must be given to improving the legal system, including measures taken to guarantee investments, so that foreign corporations can safely make their investments. Moreover, touching on the project for developing the Tumen River, which borders on Russia, North Korea, and China, Duroa stated that UNIDO intends to work out the project in cooperation with the UN Development Program (UNDP). In addition, UNIDO plans to support North Korea's plan—which is included in the Tumen River project—for industrializing special economic zones in North Korea.

Asian Pacific Economic Integration Urged

OW0211043092 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Nov 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] The government will soon hold talks with South Korea, Australia, and the Association of Southeast Asian Nations (ASEAN) to promote the realization of open, economic integration in the Asian Pacific region. At a time when regional integration is being accelerated in Europe and the United States, moves are under way in the Asian Pacific region to build artificial barriers.

Nations in the region have been spontaneously aligning themselves economically. The United States, meanwhile, which has initiated the prospect of economic integration in North America, is showing signs of wanting to conclude individual free trade accords with nations in the region. The government plans to prevent markets in the region from splitting and becoming an economic bloc by hastily examining desirable ways to keep markets open.

Japan-South Korea talks attended by foreign ministry bureau-chief-level officials will be held in Seoul on 5 November. High on the agenda for the talks will be multilateral trade, the first time the two countries have discussed such issues. There is expected to be an exchange of views on measures to deal with the GATT multilateral trade negotiations, which are at their final phase, and on the prospects for economic integration in the Asian Pacific region.

According to a Foreign Ministry source, "both Japan and South Korea will be unable to conclude any free trade agreements with other nations in the near future" because they cannot open their agriculture markets. They want to leave their globally uncompetitive rice markets intact. If the United States, however, moves to expand free trade agreements with other nations in the region, following agreements with Singapore and other Asian nations, Japan and South Korea are highly likely to feel the need to join them in concluding similar agreements.

On other hand, Australia increasingly guards against Malaysia's proposal for East Asia Economic Cooperation (EAEC) that calls for exclusion of the United States and U.S. plans to expand free trade agreement with nations in the region, calling the plan a "move aimed at breaking current economic ties in the region."

Soon after the Japan-South Korea talks, the Foreign Ministry intends to hold talks with Australia to discuss how to deal with the regionalism emerging in the Asian Pacific region.

On 30 October, the Foreign Ministry created a secretariat at the Economic Affairs Bureau to act as a study group on economic integration in the Asian Pacific region. Advised by economists, the study group has to compile by next January a report on: 1) the advantages and disadvantages expected to arise from the formation of a free trade zone in the region, and 2) alternatives to the free trade zone if it is expected to generate only demerits.

Japan and the United States, who have been discussing ways to keep markets in the region open, made the most of the Asian Pacific Economic Cooperation Conference (APEC), with which the United States is affiliated, but have yet to decide firm plans. The Foreign Ministry will shape Japan's future trading strategy in the Asian Pacific region while studying the results of the talks with South Korea and Australia, and the report to be compiled by the study group.

According to a Foreign Ministry official, the government believes that "problems involving the North American Free Trade Agreement [NAFTA] remain unresolved and it is premature to expand the conclusion of such an agreement." Hence, the government plans to object to U.S. plans to expand the NAFTA to other nations.

In his 10 September campaign speech, President Bush made it clear that the United States will negotiate with nations in the region to conclude individual free trade agreements. Deputy Assistant Secretary Lavin [name as published] has privately said that the United States sees Hong Kong, Singapore, Australia, New Zealand and Taiwan as potential nations for conclusion of the free trade agreements.

NASDA To Resume Tests on H-2 Rocket Engine

OW2710145092 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Oct 92 Morning Edition p 19—FOR OFFICIAL USE ONLY

[Text] The National Space Development Agency of Japan [NASDA] has acquired firm footing for improving the LE-7 engine, which is regarded as the heart of the H-2 rocket, the large next-generation domestically produced rocket. Full-scale combustion tests at the Tanegashima Space Center, which have been suspended since the combustion test conducted in June failed, will be resumed in late November. NASDA intends to hold a technological conference by inviting a group of scholars and experienced personnel and get a formal approval of changes to the design of the engine.

The H-2 rocket, which is capable of launching a two-ton class satellite into stationary orbit, has been developed as a large rocket, and the future of Japan's space exploration depends on it.

As a result of an accidental fire in the LE-7 combustion test conducted at Tanegashima last June, it was decided that the first launch would be postponed for one year. Since then, while working on redesigning the LE-7 engine, NASDA has rechecked the H-2 rocket's complete system.

As a result, scientists have smoothed out the surface of the welded section of the LE-7—where a crack developed during the combustion test—so that excessive pressure will not become concentrated on this section. At the same time, a valve function has been changed to prevent abrupt temperature changes at the beginning and end of combustion. Short-interval combustion tests with this modified LE-7 engine were conducted at the Tashiro testing station (in Akita Prefecture) between late August and early October, reportedly with satisfactory results.

For further confirmation, NASDA plans to conduct the same tests using another unit of the similarly modified LE-7 engines at the Tashiro testing station until mid-November.

For long-interval combustion tests in Tanegashima, it is planned that along with these improved engines, other

VI

engines that have been made more reliable by changing the method of heat treatment for the welded sections will be used.

Articles View High-Technology Industry

'Myth' Shaken

OW3110031892 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Oct 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Article by Kaoru Omura, industrial reporter with NIHON KEIZAI SHIMBUN, entitled: "The Changing Myth of High Technology"; first in the three-part series—first paragraph is introduction]

[Text] The "myth" of high technology—which has been valued as if its constant growth was guaranteed amid the prosperity of "small and frivolous" types of industry—is being shaken. The popular belief that "high technology will open new markets" and "high technology will bring high profits" is seen as unsound. As profitability falls in the semiconductor industry, which has been regarded as the very symbol of ultramodern technology, manufacturers have started to review their semiconductor business. In the field of computers, which heighten the efficiency of businesses, manufacturing profits are dropping because companies are investing less in information systems. What is happening to Japan's high technology industry, which was supposed to have a bright future?

Tadashi Sekizawa, president of Fujitsu Ltd., which has suffered declining profitability in its semiconductor business because of excessive investment, has told his staff: "I wonder if the memory business is really a technology driver (an engine of technology.) The phrase 'technology driver' means a basic technology which is indispensable to the development of technology both in companies and throughout the industry.

Doubts Rise About the Technology Driver

"If the Japanese semiconductor industry proceeds with the development of dynamic random-access memory (DRAM—random access memory requiring a battery backup to retain data), in which all the latest technology is brought together, then the ability of all companies to develop technology will improve." This was the common view when the Japanese semiconductor industry was growing.

However, this view is losing ground because of predictions that new technology will develop beyond the needs of users. Yoshiyuki Shinra, managing director of Mitsubishi Electric Corporation, said: "Technology that fails to continuously play the leading role in the high technology business is no longer a technology driver." He added that "if it does not pay, then we can find another technology."

Hitachi Ltd. has decided to postpone investment in mass production of 16-mega-DRAMs (mega stands for 1 million), the next generation of memory. The decision reflects the feeling that the memory business no longer plays a leading role.

In the 1980's, Japan found that developing its economy through high technology such as microelectronics, computers, and communications centered on semiconductors. And thanks to high technology, the semiconductor business had an annual growth rate in 1980's of more than 20 percent. The computer business generally also reached about 20-percent annual growth in the same period. However, recently, there have been various disturbances in the high technology industry.

Downward Profitability

According to NEEDS-COMPANY (the comprehensive company data bank system of NIHON KEIZAI SHIMBUN Inc.), the profit ratio of total liabilities to new worth among companies dealing with electric apparatus and precision instruments, which represent the high technology industry, dropped from 6 to 8 percent in the first half of 1980's, a high profit level, to between 3 and 4 percent in fiscal 1991.

It is expected that such profit ratios will decline further in fiscal 1992 as an increasing number of companies suffer from a drop in profit. By comparison, the steel and chemical industries have maintained a profit ratio of between 3 and 4 percent, although such companies had to play second fiddle in the past when they had profit rates of around only 1 and 2 percent. The profit ratios in the high technology and materials industries is, therefore, getting closer.

The information industry, which was enjoying prosperity, is faced with its first recession, and the cause seems to be a structural defect. In the past, it was said that "investment in information systems such as data processing is decisive factor in the drive to heighten the efficiency of a company's operations." However, information systems are costly. This is because once a company uses an information system, it cannot give it up easily, and then the system expenses run up year by year.

According to a survey by the Ministry of International Trade and Industry [MITI], the average miscellaneous expenses for data processing in late March 1990 ran to 3.14 times more than the same period in 1980. In the meantime, the average sales of companies listed on the Tokyo Stock Exchange increased only 1.8 times. And now, company managers are beginning to have doubts about drastically increasing investment in information systems, saying: "Is the system really helpful in improving the efficiency of company operations?"

Structural Change in Background

In the past, it was widely accepted that "demand for computers in Japan will grow twice as fast as the gross

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-92-213
Tuesday
3 November 1992

V/11

Daily Report
East Asia

FBIS-EAS-92-213 CONTENTS *3 November 1992*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Indonesia Threatens To Divert Plutonium Ship *[KYODO]* 1
Guinean Foreign Minister Arrives in Toyko 2 Nov *[KYODO]* 1
German Firm Cooperates on Rail System Project *[KYODO]* 1
'News Focus' Views Miyazawa's Political Future *[KYODO]* 2
Kanemaru Reportedly Tried To Influence Charges *[KYODO]* 3
Suprapartisan Policy Forum Headed by Eda Formed *[KYODO]* 3
Finance Ministry Plans To 'Slash' Defense Budget *[KYODO]* 3

North Korea

Foreign Ministry Statement Condemns Team Spirit *[Pyongyang Radio]* 4
Joint N-S Committee Chairmen Cancel Meetings *[Pyongyang Radio]* 5
Kim Chong-il Writes Treatise on Party Building *[KCNA]* 7

South Korea

Car Exports to U.S. Continue To Decline *[THE KOREA HERALD 3 Nov]* 20
Ministry Pinpoints New Foreign Policy Directions *[THE KOREA TIMES 1 Nov]* 20
No-Miyazawa Talks To Skirt Difficult Issues *[YONHAP]* 22
Ex-Im Bank To Open Office in Ho Chi Minh City *[YONHAP]* 22
Prince, Princess of Wales Pay Official Visit 22
    Visit Previewed *[THE KOREA HERALD 1 Nov]* 22
    UK's Hurd on Relations *[CHOSON ILBO 30 Oct]* 23
    Prince, Princess Arrive 2 Nov *[YONHAP]* 24
    Meet President No *[YONHAP]* 25
    Further on Meeting With No *[YONHAP]* 25
    No Tae-u Hosts Banquet *[YONHAP]* 25
Environment Minister Addresses UN Assembly *[YONHAP]* 26
Inter-Korean Economic Cooperation Slows Down *[THE KOREA TIMES 1 Nov]* 26
Agreement on Inspections Could Halt Team Spirit *[YONHAP]* 27
North Statement on Joint Committees Reported *[YONHAP]* 27
North Rejects Talks on Military Hotline *[YONHAP]* 28
North Rejects Resumption of Red Cross Talks *[YONHAP]* 28
Monthly Analyzes North Nuclear Capability *[WOLGAN CHOSON Aug]* 28
New Policies Promote Investment in PRC, SRV *[KYONGHYANG SINMUN 1 Nov]* 36
Upcoming Presidential Election Analyzed *[THE KOREA TIMES 1 Nov]* 37
Parties Announce Presidential Election Platforms 39
    Democratic Liberal Party *[YONHAP]* 39
    Democratic Party *[YONHAP]* 39
Policy of Chong Chu-yong, UPP Viewed *[THE KOREA TIMES 1 Nov]* 40
Police Increase Security for Candidates *[YONHAP]* 41

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Editorial Hails 1993 National Budget *[NEW STRAITS TIMES 31 Oct]* 43
SRV Agriculture Official on Marketing Strategy *[BERNAMA]* 43

Cambodia

Meeting Between IMF Delegation, SNC Reported *[Radio VGNUFC]* 43
Deputy Prime Minister Receives U.S. Envoy *[Phnom Penh Radio]* 44
Sar Kheng Visits Siem Reap-Oddar Meanchey *[Phnom Penh Radio]* 44
  Visits Kompong Thom 29-30 Oct *[Phnom Penh Radio]* 45
Phnom Penh Said To Export More Timber Than KR *[THE CAMBODIA TIMES 11-25 Oct]* 46
Hun Sen Greets Prince Sihanouk on 70th Birthday *[Phnom Penh Radio]* 47
  Sihanouk Thanks Hun Sen *[Phnom Penh Radio]* 47
Party Paper Greets Sihanouk on 70th Birthday *[Phnom Penh Radio]* 47
Sihanouk 'Shows Few Signs of Slowing' From Age *[AFP]* 48
Prince Sihanouk Leaves for 'Mission' to DPRK *[Phnom Penh Radio]* 49

Indonesia

Chinese Envoy on Increasing Bilateral Trade Value *[ANTARA]* 49
Diplomat Urges Indochinese Refugees To Go Home *[ANTARA]* 50
Suharto Meets Indian Army Chief 2 Nov *[Jakarta Radio]* 50
Planned Passage by Plutonium Ship 'Very Risky' *[Jakarta Radio]* 50
Minister, Muslim Scholars View Presidential Terms *[ANTARA]* 50
Statistics Bureau Reports Increased Rice Output *[ANTARA]* 51

Laos

Bokeo, Sekong Prepare for Assembly Elections *[Vientiane Radio]* 51
People Urged To Fulfill Rights in Election *[Vientiane Radio]* 51
Deputy Premier Gives Briefing on ADB Projects *[Vientiane Radio]* 52
  Leaves for Sydney Investment Forum *[KPL]* 52
Japan Gives Aid for Water Supply Expansion *[Vientiane Radio]* 53
Science Delegation Leaves for Bangkok Conference *[KPL]* 53

Philippines

Romulo Says U.S. Ties To Be Maintained *[MALAYA 3 Nov]* 53
Ramos To Work With 'Any American President' *[MANILA STANDARD 3 Nov]* 53
Military Access Not on Agenda for U.S. Talks *[AFP]* 54
Defense Minister Sees Increase in Guerrilla Activity *[AFP]* 54
Communist Rebel Leader Meets With NUC *[Manila Radio]* 55
NDF Response on Peace Talks Issue Awaited *[Manila Radio]* 55
Task Force Provides Latest Mt. Pinatubo Update *[Quezon City Radio]* 55
  'Debt for Aid' Project Benefits Victims *[MANILA BULLETIN 2 Nov]* 55

Thailand

Clinton Election Seen Affecting Stock Investment *[BANGKOK POST 3 Nov]* 56
Officials on U.S. Economic Ties if Clinton Wins *[THE NATION 3 Nov]* 56
Envoy to U.S. Comments on Drug Patent Issue *[THE NATION 2 Nov]* 57
Government Ready To Help UN Prod Khmer Rouge *[THE NATION 31 Oct]* 58
ROK Army Chief Urges More Regional Cooperation *[YONHAP]* 59
Chuan Says Party Antigovernment Vote 'Normal' *[THE NATION 3 Nov]* 59
Direct Election of Provincial Governors Urged *[THE NATION 3 Nov]* 60
'Rift' Over Provincial Elections Grows *[THE NATION 3 Nov]* 61

X

Oil Imports Up 7.9 Percent Over Last Year *[THE NATION 3 Nov]* 62
Inflation Predicted To Increase Next Year *[THE NATION 3 Nov]* 62

Vietnam

Hanoi Comments on U.S. Presidential Election *[Hanoi International]* 63
Le Phuoc Tho Delivers Speech at Conference *[NHAN DAN 24 Aug]* 63
Deputy Premier Receives UNICEF Delegation *[VNA]* 69

AUSTRALASIA

Australia

Keating Appeals to G-7 To Save Uruguay Round *[Melbourne International]* 70
Rights Team Refused Permission To Visit Tibet *[Melbourne International]* 70
Chinese 'Boat People' Arrive on Christmas Island *[Melbourne International]* 70
    Immigration To Begin Processing *[AFP]* 70
French Deputy Minister Arrives for Talks *[Melbourne International]* 71

New Caledonia

Separatist Leader Calls for Election Boycott *[AFP]* 71

New Zealand

Government Announces Closure of Yugoslav Embassy *[AFP]* 71

XI

Japan

Indonesia Threatens To Divert Plutonium Ship

OW0211162092 Tokyo KYODO in English 1150 GMT 2 Nov 92

[Text] Jakarta, Nov. 2 KYODO—Armed Forces Commander Gen. Try Sutrisno said Monday the Indonesian Navy will divert a plutonium-carrying Japanese ship away from the Strait of Malacca.

"It (the route) has to be safe. It means if an accident happens to the ship, it will not bring about human victims or environmental damage," Try told reporters.

He did not give details on what routes have been prepared for the Akatsuki Maru, in France to pick up a ton of the highly radioactive plutonium.

Try said there has not been any request so far from Japan to sail in Indonesian waters.

However, Foreign Minister Ali Alatas was quoted as saying by the KOMPAS daily Monday that Indonesia is firm in its stance of refusing the plutonium carrier permission to sail in its waters or ply the strait.

Try said in addition to being narrow, the Strait of Malacca is busy and difficult to navigate, "so the risk is high."

He said international law does not allow for the banning of certain ships from sailing the strait, "but there has to be understanding from all parties."

Asked about Japan keeping Akatsuki Maru's route a secret, try said it is difficult to keep a big ship's movements quiet.

"There has to be cooperation, especially when a ship plans to pass other country's territory."

The Akatsuki Maru's imminent arrival was awaited early Monday in France's northwestern port of Cherbourg to pick up the plutonium.

Many countries along the ship's possible routes have banned it from entering their waters.

Japan plans to transport around 30 tons of reprocessed plutonium in multiple shipments from Europe for its fast-breeder reactors.

Guinean Foreign Minister Arrives in Toyko 2 Nov

OW0211154392 Tokyo KYODO in English 1202 GMT 2 Nov 92

[Text] Tokyo, Nov. 2 KYODO—Guinean Foreign Minister Ibrahima Sylla arrived in Tokyo Monday for a six-day official visit to hold talks with Japanese political leaders.

The foreign minister of the West African country, which borders on war-torn Liberia, will meet with Foreign Minister Michio Watanabe on Friday.

Foreign Ministry officials said Watanabe will urge Guinea to adhere to its pledge to carry out a peaceful transition from military rule to a multiparty democracy. The country's first-ever general elections are scheduled for December.

Guinean Ambassador to Japan Zainoul Abine Sanoussi said Japan has surpassed other donor countries to become Guinea's second-largest benefactor, after France. In 1991, Japan provided 22 million dollars in aid, mostly in grants.

The envoy said further Japanese public- and private-sector assistance is desired for training agricultural technicians, harnessing energy, developing small- and medium-size enterprises, and creating economic infrastructure.

He said Guinea is suffering from economic and social repercussions of the civil war in Liberia. With a population of some 5.7 million, Guinea is currently also burdened with 600,000 refugees from Liberia and 250,000 from Sierra Leone.

On October 30, Japan donated 35.8 million yen worth of relief assistance for Liberian refugees in Cote d'Ivoire (Ivory Coast), to Guinea's east.

German Firm Cooperates on Rail System Project

OW0211140192 Tokyo KYODO in English 1135 GMT 2 Nov 92

[Text] Tokyo, Nov. 2 KYODO—Japan and Germany, the world's two new economic superpowers, will join forces to develop high-speed rail systems, railway officials of both countries announced Monday.

The officials said Japan's East Japan Railway Co. and the state-owned German Federal Railway (Deutsche Bundesbahn) will exchange know-how on development and research on high-speed rail systems.

The presidents of the two companies, Shoji Sumida and Heinz Duerr, signed a statement Monday in Tokyo agreeing to the exchanges.

An East Japan Railway spokesman said the agreement is the first of its kind between a Japanese railway and a foreign railway since the government privatized the state-owned Japanese national railways in April 1987. The split saw the formation of seven regional companies and two other entities.

The German railway, burdened with a huge debt, is looking to the Japanese partner for advice in reorganizing finances and privatizing the company.

At the moment, the German Government is considering dividing the indebted giant railway into several joint-stock companies by separating tracks, goods traffic, and passenger transport.

The memorandum lists as its main areas of exchange environment-conscious measures such as noise and vibration-reduction for high-speed trains, labor-saving easy-to-maintain trains and tracks, traffic signal and train control systems, as well as improving service and facilities for handicapped rail travelers.

As a first step, they will launch a joint experiment early next year combining the latest high-speed train technologies of both countries.

Carriages, which were developed for the German high-speed Intercity Express System (ICE) and introduced in Germany in June 1991, will be attached to the Japanese experimental train Star 21 to test its capacity and noise level, the spokesman said.

'News Focus' Views Miyazawa's Political Future

OW0311041292 Tokyo KYODO in English 0307 GMT 3 Nov 92

["News Focus" by Jocelyn Ford: "Miyazawa Survives Mentor Into 2nd Year in Office"]

[Text] Tokyo, Nov. 3 KYODO—Prime Minister Kiichi Miyazawa enters his second year in office in the heat of an unpredictable political scandal that has already claimed the political life of his chief mentor, yet which has also enhanced his hold on power.

In the absence of challengers from within the ruling party, and providing opposition parties and prosecutors fail to expose further wrongdoing that would widen the scandal, analysts say Miyazawa is likely to weather the current political storms.

"The U.S. economy will probably improve after the presidential elections, and if the (Japanese) economy also turns around, voter anger and the array of problems will be forgotten," says Prof. Ikuo Kabashima, a specialist in Japanese politics at Tsukuba University.

But as key political indicators go, Miyazawa appears to be faring poorly.

His popularity ratings are at an all-time low, with recent media polls showing a range from 14-23 percent, and the economy has yet to climb out of an extended slump that began several months before Miyazawa, a former finance minister, took office on November 5, 1991.

His main backer, Liberal Democratic Party (LDP) powerbroker Shin Kanemaru, has just retired from politics over the Sagawa Kyubin scandal, and aides admit that Miyazawa's failure to criticize LDP politicians allegedly connected with organized crime has cost him much public support.

The slow-motion disintegration of the largest faction formerly controlled by Kanemaru, however, is affording Miyazawa time to regain his balance among the five LDP factions that are instrumental in deciding who becomes a prime minister.

And he has not allowed the opportunity to escape him.

In the weeks since Kanemaru's October 14 resignation from parliament after admitting accepting 500 million yen in illegal political donations, Miyazawa has met with Foreign Minister Michio Watanabe, leader of the fourth largest faction, and Hiroshi Mitsuzuka, leader of the second largest faction, and obtained their cooperation on political reforms.

Analysts say progress on political reforms aimed at combating cash-intensive politicking is a necessary step toward quelling public anger over the latest scandal.

Although Miyazawa has a reputation for awkwardness in managing inter-factional relations, his team has successfully used the loose three-way coalition in the past.

It was Miyazawa's right-hand man, current Chief Cabinet Secretary Koichi Kato, who spearheaded an alliance with the Mitsuzuka and Watanabe factions last fall that enabled Miyazawa to clinch the leadership after then Premier Toshiki Kaifu tripped up, ironically over a pledge to implement political reform.

The answer to who is in favor and who is not in Japanese politics is likely to become apparent at the year-end, when Miyazawa is expected to reshuffle his cabinet and key party posts.

Even if Miyazawa is able to establish a surer footing, many observers doubt whether he will effectively use the new-found powerbase to push an agenda of reform, improving the quality of life, and a more active foreign policy, particularly in Asia.

"In theory, Miyazawa should have a free hand, but he has no courage. As an ex-bureaucrat, he cannot be a decisive statesman," says Kaoru Okano, Meiji University's dean of political science.

Critics have cited Miyazawa's "facelessness" as a major defect since he assumed the premiership last year amid expectations that his wide international experience, first as a Finance Ministry bureaucrat and later as foreign minister, would help Japan assume a more forceful role in international politics.

In fact, Miyazawa has overseen a new spin on Japanese diplomacy. But his achievements have been at best controversial, and at worst, decried as inept.

Miyazawa set a more assertive tone for Japan-U.S. relations shortly after taking office by extending "sympathy" to the U.S. amid an economic downturn, a statement that was poorly received in the U.S., as was a later suggestion the U.S. work ethic is eroding.

In what is perhaps a more conscious decision, Miyazawa has sought to steer Japan's foreign policy toward a more active role in Asia.

He helped move Japan beyond a long era of diplomatic inactivity in the region brought on by its World War II brutality by finally apologizing for the government's role in forcing women to serve as sex slaves for soldiers, and by overseeing Emperor Akihito's historic visit to China.

In June the final passage of legislation authorizing the overseas dispatch of Japanese troops for UN peacekeeping activities was also a landmark, with important implications for Japan's international political role.

During his second year, Miyazawa hopes to help lay a foundation for some sort of forum for discussion of regional security issues, said a senior government official.

Kanemaru Reportedly Tried To Influence Charges

OW0211145192 Tokyo KYODO in English 1435 GMT 2 Nov 92

[Text] Tokyo, Nov. 2 KYODO—Disgraced political heavyweight Shin Kanemaru repeatedly attempted last year to talk a trucking firm president into retracting charges against the former president of scandal-ridden Tokyo Sagawa Kyubin Co., prosecutors said Monday.

At a Tokyo district court trial session, prosecutors revealed Kanemaru's alleged efforts relating to aggravated breach-of-trust charges against Hiroyasu Watanabe and two other former Tokyo Sagawa executives.

They were contained in records of pretrial questioning of Kiyoshi Sagawa, president of the Kyoto-based Sagawa Kyubin Co., and senior leaders of right-wing groups.

The two other defendants indicted along with Watanabe in March are Jun Saotome and Michio Ouchi, respectively former managing director and former financial affairs section chief of Tokyo Sagawa, now under the wing of the parent Sagawa Kyubin.

Sagawa reportedly told prosecutors that Kanemaru, former vice president of the ruling Liberal Democratic Party (LDP), who had close ties with Watanabe, telephoned him four times around October last year after he lodged a complaint against Watanabe and the others, but he did not answer the calls.

"Mr. Kanemaru phoned me every fourth or fifth day around October or November last year, or four times in total. A maid took the calls, and I pretended to be out so as not to answer them. I thought Mr. Kanemaru was trying to reach me at Watanabe's request," Sagawa was quoted as saying.

He also received four letters from Rekiji Kobari, chairman of the bus firm Fukushima Kotsu Co., threatening Sagawa himself would be found guilty unless he retracted the accusations, according to the prosecutors.

Sagawa reportedly said Watanabe visited him at his Kyoto residence in July last year and said the police had no power to arrest him because Kanemaru and former Prime Minister Noboru Takeshita were behind him.

Kanemaru resigned from the Diet last month after being fined 200,000 yen without a trial or questioning for accepting an illegal 500 million yen donation from Watanabe in 1990.

Shortly before the LDP presidential election in 1987, Kanemaru allegedly asked Susumu Ishii, the late leader of the Inagawa-kai gang, via Watanabe, to silence a right-wing group's harassment of Takeshita, who was one of the candidates.

Watanabe told prosecutors about the connection between Kanemaru, Takeshita, and Ishii after he was arrested in February.

It was also revealed that Ishii ordered an affiliated rightist organization to stop an anti-Kanemaru campaign launched by some other nationalist groups after Kanemaru headed an LDP delegation to North Korea with a group from the opposition Social Democratic Party (SDP) in September 1990.

In Pyongyang, Kanemaru signed a tripartite declaration with the SDP and leaders of the ruling Korean Workers' Party calling for normalization of ties and Japanese compensation to North Korea for losses during and after World War II.

Suprapartisan Policy Forum Headed by Eda Formed

OW0311105492 Tokyo KYODO in English 1030 GMT 3 Nov 92

[Text] Tokyo, Nov. 3 KYODO—A suprapartisan policy study group comprising lawmakers from three opposition groups was inaugurated Tuesday [3 November] with the aim of hammering out legislation to prevent political corruption.

Satsuki Eda, leader of the minor United Social Democratic Party (USDP), was chosen to head the group at a meeting in Tokyo.

The forum, called Sirius, is made up of 27 legislators from the largest opposition Social Democratic Party, USDP, and Rengo Sangiin, a group of the House of Councillors members affiliated with the Japanese Trade Union Confederation.

The meeting participants agreed to submit revisions of Political Funds Control Law and Public Office Law to the Diet.

Finance Ministry Plans To 'Slash' Defense Budget

OW0311012892 Tokyo KYODO in English 0113 GMT 3 Nov 92

[Text] Tokyo, Nov. 3 KYODO—The Finance Ministry plans to slash defense spending in the fiscal 1993 budget in the wake of the end of the Cold War, an economic newspaper reported Tuesday.

The planned cut would be the first since Japan's Self-Defense Force was set up in 1954, the NIHON KEIZAI SHIMBUN said.

The Defense Agency has requested the ministry increase defense spending 3.6 percent from the initial budget in the current fiscal year to 4,717.1 billion yen for the next fiscal year, which begins April 1, 1993.

Year-end negotiations for compiling the national budget will focus on revision of the five-year national defense program from fiscal 1991.

The program calls for spending a total of 22.75 trillion yen mainly on renewing the country's weapon systems, along with construction of 200 F-15 jet fighters, and 100 P-3C antisubmarine patrol aircraft, the daily said.

North Korea

Foreign Ministry Statement Condemns Team Spirit

SK0311004492 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 2 Nov 92

[Statement by spokesman for the DPRK Foreign Ministry, dated 2 November]

[Text] A DPRK Foreign Ministry spokesman has issued the following statement denouncing the United States and the South Korean authorities for openly conducting a nuclear threat and blackmail against us recently, such as deciding to resume the Team Spirit joint military exercise, a nuclear war rehearsal, thus creating an obstacle to our Republic's implementation of the obligation pursuant to the nuclear safeguards accord.

The statement of a spokesman for the DPRK Foreign Ministry:

The United States and the South Korean authorities have recently agreed to resume the Team Spirit joint military exercise—a nuclear war rehearsal—and to openly conduct a nuclear threat and blackmail against us again, creating a grave situation making it impossible for our Republic to faithfully implement its obligation pursuant to the nuclear safeguards accord.

It is the obligation, according to international law, of all the countries which have participated in the Nuclear Nonproliferation Treaty [NPT], whether they are countries possessing nuclear weapons or nonnuclear countries, to strictly implement the treaty.

The DPRK has consistently made every sincere effort to be faithful to its obligation to the international community as an independent and peace-loving state. There have been many obstacles, however, in the process of our Republic's signing the NPT and implementing obligations pursuant to the treaty because of the special environment and conditions created on the Korean peninsula. As we have already proclaimed on several occasions, we signed the NPT for the purpose of forcing the U.S. nuclear weapons out of South Korea, eliminating the U.S. nuclear threat against us, and turning the Korean peninsula into a nonnuclear zone. We expected the United States, as a country possessing nuclear weapons, to implement its legal obligation as a matter of course according to this treaty.

Since we signed this treaty, from the desire to implement the obligations pursuant to the treaty, we have repeatedly demanded that the United States withdraw its nuclear weapons from South Korea and stop its nuclear threat against us. We have taken a series of initiatives and realistic steps to provide the conditions and environment for signing the nuclear safeguards accord.

Because of our fair, just, and patient efforts and the pressure of the world's public opinion, the United States put forward a proposal to eliminate the short-range nuclear weapons on the ground and sea bases in Asia and Europe in September of last year, the South Korean person in authority made an announcement on the nonexistence of nuclear weapons in December of the same year, and the United States and the South Korean authorities jointly announced the suspension of the Team Spirit joint military exercise in early January of this year.

Regarding this as a positive development, our Republic signed the nuclear safeguards accord pursuant to the NPT under the premise that the United States would not pose a nuclear threat against us and would receive nonregular inspections by the International Atomic Energy Agency [IAEA]. Many nonregular inspections have been conducted smoothly in our country based on the nuclear safeguards accord, further proving in this process the innocence of our nuclear policy which uses nuclear energy only for peaceful purposes.

The entire process since the DPRK signed the NPT up to today shows that our principled position and patient efforts are very just. The peace-loving people welcome that because of our initiative and active efforts, the signing of the nuclear safeguards accord has been concluded in a good manner and the issue of nuclear inspection has been smoothly resolved on the principle of fairness.

At this very moment, the United States and the South Korean authorities are again threatening us by agreeing to resume the Team Spirit joint military exercise, citing our non-existent nuclear development.

This is a provocative act destroying the official pledge that the United States would not use nuclear intimidation against us, and is a premeditated maneuver to aggravate the situation on the Korean peninsula to an extreme.

Moreover, while the United States and the South Korean authorities had initially suspended the Team Spirit joint military exercises before IAEA inspections, they have decided to resume them now, when nuclear inspections are ongoing. This is an arrogant and undisguised threat to us, a signatory of the nuclear safeguards accord. This is also an act of pressure by means of power [kangkwon haengwi] which was used during the cold war era by standing on the position of strength. This is a criminal act violently infringing upon the international treaty.

As is known to the entire world, the Team Spirit joint military exercise is the United States' adventurous simulated nuclear war designed to realize its Asian war strategy, and to crush our socialist system by mobilizing various nuclear weapons and nuclear means with South Korea as its nuclear advance base.

In no way will the nuclear inspection issue in our country be resolved by any pressure, intimidation, or act of pressure by means of power.

If the United States and the South Korean authorities finally resume the Team Spirit joint military exercise despite our repeated warnings, tension on the Korean peninsula will be further aggravated and a new grave obstacle undermining the thus far satisfactory implementation of the nuclear safeguards accord will develop.

Only when the Team Spirit joint military exercise is permanently suspended and there is no nuclear threat or pressure, can the IAEA inspections be conducted satisfactorily and can the North-South agreement and joint denuclearization declaration be implemented successfully.

If the United States and the South Korean authorities advance along the road of resuming the Team Spirit joint military exercise against the trend of the time and aspiration of mankind, by incorrectly looking at the realities and by not acting with discretion, they will be held totally responsible for all resulting, grave consequences.

We will make all efforts in the future, too, to check the Team Spirit joint military exercise which the United States and the South Korean authorities are going to stage, and to sincerely fulfill our missions assigned by the nuclear safeguards accord.

The DPRK Government expresses the hope that all nations and all people of the world who love justice and peace, as well as all international organizations and groups, will pay deep attention to the developing grave situation on the Korean peninsula being created by the maneuvers of the United States and the South Korean authorities to resume the Team Spirit joint military exercise, and will take concerted action with us to check this nuclear war exercise.

[dated] 2 November 1992
Pyongyang

Joint N-S Committee Chairmen Cancel Meetings

SK0311105792 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 3 Nov 92

[Joint statement by the North side's chairmen of the North-South Reconciliation, Military, Economic, and Social and Cultural Joint Committees on 3 November in Pyongyang—read by announcer]

[Text] [Word indistinct] the Hwarang exercise and the Eagle '92 joint military exercise designed to attack us, the dialogue partner, are being conducted across South Korea.

Approximately 37,000 U.S. troops occupying South Korea, approximately 750,000 South Korean troops, and approximately 1,500 U.S. troops who had been dispatched from overseas are participating in the Eagle '92 joint military exercise, which will be conducted from 3 November until 9 November under the pretext of inspecting combat ready status and strengthening joint operations.

These war exercises, which are being conducted across South Korea and even in areas close to the Military Demarcation Line, are a very dangerous game of fire designed to threaten us and provoke a war of northward invasion by surprise.

At this time when the first meetings of the North-South joint committees are ahead, timed to coincide with the first meeting of the North-South reconciliation joint meeting in Panmunjom, the South Korean authorities started the reckless war exercise, designed to attack our side, with the U.S. forces. We cannot but consider this to be very grave.

As is known, when the South Korean authorities had agreed with the United States to resume the Team Spirit joint military exercise, our side's premier, the head of the North side's delegation to the North-South high-level talks, sent a letter to the South side's prime minister and asked him to unconditionally cancel the plan to resume this war exercise. Also, we, who are in charge of the work of North-South joint committees, released press statements and strongly asked the South Korean authorities to squarely see the situation and unconditionally stop committing grave acts that would lead North-South dialogue to the crisis of breakup. Also, the government, political parties, and public organizations of our Republic convened an emergency joint meeting on 27 October, expressed our principled position to sincerely implement the North-South agreement, and made it clear that we would have no alternative but to suspend all dialogue and contacts between the North and South authorities if the South side, despite our demands, starts the Team Spirit joint military exercise.

However, instead of accepting this advice of ours and canceling their measure to resume the Team Spirit joint military exercise, the South Korean authorities went a step further and responded to our demands by starting the Hwarang exercise and the Eagle '92 joint military exercise. In connection with this, on 31 October our side's premier sent an emergency telephone message to the South side's prime minister, expressing his worry about the possibility that the large-scale military exercises may affect the meetings of the North-South joint committees and overall North-South relations, and asked him to cancel the plan to conduct the military exercises by 2 November and inform our side of the result.

Our side's measure proceeded from our single mind to prevent the breakdown of the North-South joint committee meetings which will be held at an interval of one week beginning on 5 November and to prevent our country's situation from turning back to the state of confrontation.

However, the South Korean authorities have not positively responded to our just demand and patient efforts. In the telephone message sent to our side on 2 November, the South Korean authorities unreasonably provoked us. Under the pretext of defensive exercise and annual exercise, they said that they would force the large-scale war exercise as scheduled.

The South side's act is nothing but a presumptuous excuse in order to conceal their antidialogue and antipeace criminal act and to deceive opinion at home and abroad.

Judging from a modern war in which offensive and defensive cannot be separated, and judging from the fact that all U.S. troops in South Korea, puppet troops, and U.S. overseas troops are mobilized and various kinds of modern weapons and equipment are mobilized for the exercises, the Eagle military exercise and Hwarang military exercise are never defensive ones. Instead, it is clear that they are premeditated offensive exercises to aggravate our country's situation and to suddenly attack our side.

If the military exercises are really annual exercises as they say, today when the North and the South reaffirmed that they should not attack and invade each other with armed forces and when situation has basically changed, the South Korean authorities should duly take a measure to cancel the exercises.

Further, before the validation of the North-South agreement whose contents are reconciliation, nonaggression, and cooperation and exchanges, the United States and the South Korean authorities had canceled the Team Spirit joint military exercise. Thus, the fact alone that they conduct large-scale military exercises such as Eagle and Hwarang cannot but be the destruction of the North-South joint committee meetings; be the declaration of giving up implementing the points of agreement between the North and the South; and be the declaration of overall confrontation against us.

In the name of the all fellow countrymen, we strongly denounce the South Korean authorities for assuming the dialogue-negating betrayal act, which prevents the first meetings of the North-South joint committees from being held as scheduled.

Now, the entire 70 million fellow countrymen are enthusiastically hoping that the North-South responsible authorities will put into practice the promise made before the country and the nation; that the era of antagonism and confrontation will disappear for good on this land; that a new foundation for national reconciliation and a reliable guarantee for nonaggression will be laid; and that thereby a practical change will take place to rejoin the long-severed blood vein of the nation.

It is the North-South joint committees that are responsible for contributing to realizing the ardent desire of the fellow countrymen who hope that a motive for reconciliation, unity, detente, and peace in the national history will be created and that reunification will be achieved.

This nonetheless, at the important era when a new phase for national peace and peaceful reunification should be created through reconciliation, nonaggression, and cooperation and exchanges with each other, the South Korean authorities ignore the expectation and desire of the nation. They are instead forcing the reckless large-scale military exercise against the dialogue partner. This shows that they do not want reconciliation, nonaggression, and cooperation and exchanges.

This bespeaks that because the South side does not want reconciliation and nonaggression, it is unnecessary to hold the Joint Reconciliation Committee and the Joint Military Committee. This also means that because the South side does not want cooperation and exchanges, it is unnecessary to hold joint committee meetings to promote cooperation and exchanges.

The North-South dialogue is based on trust. Under the circumstances in which the South Korean authorities abandon trust and assume the dialogue-negating attitude, the first meetings of both sides' joint committees are, in fact, broken down and becoming meaningless.

Under these circumstances, our side makes it clear that we cannot attend the first meetings of the North-South joint committees, which are scheduled to be held every seven days in Panmunjom from 5 November.

War exercises and dialogue are incompatible. We have no intention at all to discuss the nation's important issues at present while sitting face to face with the provocateurs who are firing guns and cannon against their dialogue partner with the outside forces, no matter how valuable dialogue may be.

The South Korean authorities will in no way be able to escape from the responsibility for the fact that the first meetings of the North-South joint committees could not be held as scheduled. They must, as a matter of course, apologize to the nation for their antidialogue, antipeace, antireunification acts.

When the first meetings of the North-South joint committees will be held totally depends on the South Korean authorities' attitude.

Our position to hold North-South joint committee meetings at earlier dates and sincerely implement the annexed agreements, which have already been effectuated, is firm. The South Korean authorities must immediately stop the criminal Hwarang and Eagle military exercises and, in particular, cancel, in any form, by the end of November, their plan to resume the Team Spirit joint military exercise and announce its cancellation at home and abroad.

We strongly demand that the South Korean authorities take a responsible measure to ensure that the first meetings of the North-South joint committees be held in December at the latest. Our side will watch the South Korean authorities' attitude with all the fellow countrymen.
(Dated) 3 November 1992, Pyongyang

Kim Chong-il Writes Treatise on Party Building

SK0211071592 Pyongyang KCNA in English 0358 GMT 2 Nov 92

[Text] Pyongyang November 2 (KCNA)—NODONG SINMUN November 2 devotes three whole pages to "On the Fundamental Questions of Revolutionary Party Building", a treatise written by the dear leader Comrade Kim Chong-il on the occasion of the 47th founding anniversary of the Workers' Party of Korea (October 10, 1992).

Follows the full text of the treatise:

Safeguarding and developing the socialist cause is the most important task now facing the revolutionary parties and peoples. Although it is undergoing a trial, the socialist cause is as ever the objective of the struggle for the revolutionary parties as well as the aspiration of the progressive people. This is clearly shown by the fact that a large number of revolutionary parties throughout the world have signed the declaration, which was adopted in Pyongyang in April this year, the declaration for safeguarding and advancing the socialist cause.

How to advance the socialist cause depends on how the party which leads this cause is built up and how its leading role is enhanced. It can be said that the history of the struggle for socialism is the history of building the working-class party and of its activities. The whole course of the struggle, accompanied with bloodshed, of the working class and other working masses for socialism shows that the key to victory lies in party building and party activities and that the failure is also attributable to mistakes in party building and party activities.

At this time when the revolutionary parties have adopted the Pyongyang declaration as their common programme of struggle and are launching a fresh struggle for socialism, it is very important to make a correct review of the historical experience and lessons of party building.

Reviewing them is also a pressing matter in enabling our officials and party members to heighten their vigilance against all attempts of the class enemies bent on destroying the revolutionary party of the working class, strengthen the party steadily, enhance its leading role and thus continue to advance the socialist cause vigorously.

1. Historical Lessons of Building a Socialist Party in Power

The setback in socialism in a number of countries gives us a serious lesson. Here it is more important than anything else for us to have a clear understanding why the parties that had guided the socialist cause through arduous struggles for many decades have crumbled so quickly. That is because party leadership is vital to the socialist cause.

Socialism is an advanced society that represents the popular masses' desire for independence, and humanity's advance towards socialism is the trend of historical development. The current of human history towards socialism is guided by the working-class party, and the advance of socialist society requires that the working-class party should be developed and strengthened steadily. The collapse of ruling socialist parties and socialism's return to capitalism in several countries over the recent years can be considered to be abnormal, passing phenomena in the light of the general trend of human history.

The crumbling of parties which had been building socialism is an abnormal occurrence also in view of the environments and conditions for party building and party activities. The environments and conditions for party building and party activities in socialist society are favourable incomparably to those in capitalist society. In socialist society there are no socio-economic and class conditions that restrict the building and activities of the working-class party, the party's social and class foundations are broadened, and the party has greater possibilities of winning the support and confidence of the popular masses through the implementation of its popular policy. The collapse of ruling socialist parties in spite of this is explained by the fact that the party building and its activities have not been conducted properly.

The most important factor in working-class party building and its activities is to strengthen the party's organizational and ideological bases.

The working-class party is a political organization that has been formed on the basis of the working-class ideology, and as such how to build up its organizational and ideological bases is a basic factor that decides its existence. The working-class party must lay and strengthen its organizational and ideological foundations in the whole process of the preparation of its founding and its development. The strengthening of its organizational and ideological foundations is all the more important when the inheritance of party leadership is on the order of the day, because at this moment the class enemies at home and abroad and plotters and ambitious elements with blind greed for power manoeuvre more overtly than ever.

If its organizational and ideological bases are solid, the ruling socialist party can thwart whatever schemes of the imperialists and class enemies to undermine the party. Treachery to the party is a greater danger to the existence of the party than destructive moves from outside, but whether or not it can prevent treachery depends on the solidity of its organizational and ideological foundations. If it adheres to its revolutionary principles and has durable organizational and ideological foundations, the party leadership will not be snatched into the hands of traitors to the revolution, and even if its leadership has been placed in their hands, the traitors will not be able to impose their counter-revolutionary line upon the party organizations and party members easily. But the organizational and ideological foundations of no small number of parties were weakened because of the trend of bourgeois liberalism that had infiltrated into them. Taking advantage of this weakness, the traitors to the revolution were able to dictate their counter-revolutionary line to their subordinates openly. In particular, the ranks of cadres, the backbone of the organizational and ideological foundations of the party were not built up well and ideological degeneration took place among them. Therefore, quite a few of the cadres failed to distinguish between the revolution and counter-revolution clearly and, even when they identified the counter-revolutionary nature of the traitors, they ideologically sympathized with them and followed them blindly or flattered them submissively, for the purpose of self-protection in preference to principles. Of course, the staunch communists preserved their conscience of party membership and fought to defend the party and socialism.

However, their struggle could not tide over the adverse current of counter-revolution that had appeared due to the long degeneration of the party.

Another important matter in the building and activities of the working-class party is to fortify its mass foundation.

It is an essential condition for the existence of the working-class party that represents the interests of the masses, to strike root among the masses. Without the support of the masses the working-class party cannot maintain its existence.

In order for the ruling socialist party to consolidate its mass base it is essential for it to build socialism successfully so as to display the advantages of socialist system to the full, and at the same time, to work well with the masses and firmly equip them with the socialist ideology. Fundamentally speaking, the working-class party is the party of the popular masses themselves which fights in defence of their own interests. Therefore, that the working masses oppose the working-class party means, in the long run, that they oppose themselves. However, if the ruling socialist party fails to bring the superiority of socialist system into full play because of its inefficient organization and leadership of socialist construction, and if it fails to overcome bureaucratism and other outmoded work methods and styles and bribery and other irregularities and corruption inside the party, it may divorce itself from the masses. As for bureaucratism, it was in evidence also in the early days of socialist construction. It was more or less inevitable that the officials revealed outmoded work methods and styles because they retained the survivals of outmoded ideas and had no experience in the management of socialist society. But at that time the officials' outmoded work methods and styles did not result in so serious consequence as to jeopardize the revolutionary achievements because the workers and peasants were giving strong support to the working-class party and the socialist power that had freed them from exploitation and oppression. With the lapse of time, however, the people's class awareness became dull and their demand in life rose higher, whereas bureaucratic practices grew more serious as the ranks of cadres were replaced by the new generation that lacked in revolutionary training, and, worse still, irregularities and corruption which had been a minor problem in the early period of building socialism increased to a considerable extent. These evils do not emanate from the nature of the working-class party and the socialist society, but from the outmoded ideological remnants and bourgeois ideology. So they can be overcome if the party strengthens the organizational and ideological work and combat them. However, many parties did not pay due attention to the organizational and ideological work of the party. As a result, they were unable to wipe out unsound elements such as bureaucratism, irregularities and corruption. Meanwhile, they neglected the work of educating the popular masses in the socialist ideology and tolerated the ideological and cultural infiltration by the imperialists. Consequently, the political consciousness of many people became dull and they were deceived by the antisocialist manoeuvres of the imperialists and reactionaries.

Renegade socialists and reactionaries, on the plea of "democracy" and "glasnost" used the shortcomings revealed in the ruling socialist party as a means of misleading the public opinion. However, if the popular masses had been firmly armed with the socialist ideology, many people would not have gone the length of being fooled by counter-revolutionaries and opposing their party and government.

The degeneration of socialist parties in power which resulted in the frustration of socialism began with their discarding the revolutionary principles of building the working-class party. The revolutionary principles of building the work-class party were put forward by Marxism-Leninism. The founders of Marxism, with a belief that the vanguard of the working class was needed to lead its revolutionary struggle to victory, organized the communist union, the political organization of the working class, and founded the first communist international, and worked hard to develop the international communist movement under the party's leadership. In the course of this, a number of the party building principles were established. Lenin, upholding the Marxist principles of party building, developed the theory of party building in accordance with the new historical conditions in which the proletarian revolution became the mature requirement with capitalism's transition to the stage of imperialism.

He defined the poor peasantry, along with the working class, as the motive force of the revolution and, on that new class basis, he founded the revolutionary party. With the victory of the October socialist revolution in Russia under the leadership of Lenin's party, the Marxist-Leninist principles of party building became the universal principles of party building recognized by the communist and workers' parties.

The new era of independence in which the popular masses shape their own destiny independently and creatively required a new development of party building theories. As a theory of the period of the struggle of the working-class party mainly for the seizure of power, the Marxist-Leninist theory of party building did not clarify in detail how the working-class party in power should develop itself and conduct its activities. Many new theoretical and practical problems cropped up in the building and activities of the party as the leading political organization of the society after its seizure of power and establishment of the socialist system. But not a few parties followed Marxism-Leninism dogmatically, alledging that it was their guiding principles. As a result, they did not develop the party building theory as required by the situation in which socialism was being built. Therefore, they failed to find correct solutions to the new problems including those of strengthening their ranks organizationally and ideologically and consolidating their mass foundations to suit their ruling position. When the limitations of the Marxist-Leninist theory of party building were revealed, the modern revisionists, taking advantage of them, led the working-class parties to degeneration. Under the pretext of developing the Marxist-Leninist party building theory in accordance with the changed circumstance and conditions, the modern revisionists emasculated its revolutionary essence, weakened their parties systematically and paralysed their leading role.

Socialist society requires that the working-class party should be strengthened steadily and its leadership role enhanced. Socialist society which is based on collectivism can neither maintain itself nor blaze a trail successfully toward socialism and communism without the correct political leadership of the party. In the course of many years of comfortable life in socialist society, the revolutionary spirit may disappear gradually and an idle and easy-going practice prevail among the new generation and many other people who have not experienced exploitation, oppression and hardships. All this requires the strengthening of the party and the improvement of its leading role as well as a more positive effort to educate party members and other people in the revolutionary spirit. However, many socialist government parties neglected to strengthen themselves and to give party members and people revolutionary education, considering that everything would go well if only they built the economy after the establishment of the socialist system. The economic construction is an important task of the socialist government parties after the establishment of the socialist system. But, if they emphasize only economic construction and neglect to strengthen themselves and to educate party members and people in the revolutionary spirit, they cannot build even the economy successfully and may lose the gains of the socialist revolution.

Socialist government parties and socialist systems crumbled in succession in many countries, not in a few countries, because they failed to establish chuche in their development and activities.

Establishing chuche is the fundamental requirement of the building and activity of a revolutionary party. The revolutionary party of the working class is an independent political organization which combats domination and subordination in any form and struggles to realize the independence of the working masses. Therefore, the revolutionary party must find solutions to all problems arising in its building and activity by its own thinking and by its own effort. Of course, in the early days of the international communist movement, the guidance and assistance of the international centre was necessary for the countries whose communist hardcore was not prepared well enough to carry out the cause of party building.

As the history developed and the revolution advanced, the communist hardcore and revolutionary forces grew up in different countries and every party became able to carry out the revolution independently in keeping with the specific conditions of its own country. In such historical situation it was not realistic that an international centre guided the parties and revolutionary movements of different countries in a uniform way and thus the communist international ceased to exist. Though the Comintern was dissolved, the old practice lasted long in the relations between communist and workers' parties, and it was expressed in their dogmatic acceptance of the party lines and policies of a big country which had carried out the socialist revolution earlier. One can adopt good experiences of others, but in this case, one must assimilate them creatively to suit the specific situation in one's own country. Since the specific conditions vary with the country, socialism cannot be built successfully if foreign experience is adopted dogmatically.

Nevertheless, many parties being in the habit of copying the lines and policies of the party of another country, followed the other when it gave up socialist principles and pursued revisionism. They went so far as to accept the counterrevolutionary lines which the traitors to socialism dictated to them. This resulted in the successive crumbling of the socialist government parties in the Soviet Union and East European countries and in the almost simultaneous collapse of the socialist systems in these countries. If the socialist government parties had found solutions to all problems arising in their development and activities from their own point of view, with an attitude befitting masters responsible for the revolution in their own countries, and in conformity with the requirement of their own peoples and the situation of their own countries, the socialist government parties and socialist systems in these countries would not have crumbled in succession.

The process of the disintegration of those parties that had seized power through an arduous revolutionary struggle and were building socialism for decades, and of the destruction of the socialist systems leaves a serious lesson.

The historical lesson from the collapse of the ruling socialist parties and of the socialist systems in many countries is that the purity of the socialist idea must be firmly maintained if the cause of socialism is to be carried to completion.

Historical experience shows that when people's ideology degenerates both the working-class party and the socialist system will also become degenerate and end their existence. The emergence of renegades from among the party, the organizational and ideological disintegration of the party and the change of public sentiment all started from the degeneration of ideology. If ideology becomes degenerate, even great economic and military power will become a lame duck and the socialist system that has gone through the process of development for decades will also be inevitably destroyed.

The most dangerous ideological trend which undermines socialism is revisionism, dogmatism and flunkeyism.

The idea which is directly antagonistic to the socialist idea is the bourgeois idea, but the bourgeois idea cannot check the attraction of the socialist idea. The bourgeois idea reflecting the rapacious requirements of the exploiter classes cannot conceal its reactionary nature no matter with whatever hypocritical words it is embellished. It is natural that the working masses should accept the socialist idea which reflects their demand for independence instead of the bourgeois idea which reflects the demand of the exploiter classes that infringe upon their independence. Therefore, the imperialists and capitalists have used revisionism which is the revision of the socialist idea to cater to their taste, as an ideological instrument. As it was in the past, so at present, too, revisionism is the main danger in the accomplishment of the cause of socialism. Being the reflection of the bourgeois idea which appeared in the communist movement, revisionism has been used as the ideological instrument of the imperialists in their strategy of "peaceful transition," checking the road to revolutionary transition to socialism in capitalist countries and opening the road of return to capitalism in socialist countries. No matter how delicately modern revisionism disguises itself, we must see through its reactionary nature and categorically oppose and reject it.

Dogmatism and flunkeyism are also a dangerous ideological element in the accomplishment of the cause of socialism. Dogmatism and flunkeyism prevent the socialist idea from displaying its vitality properly. If one is steeped in dogmatism and sycophancy one will dance to the tune of others instead of acting in accordance with one's own belief, and will adopt revisionism if others practise revisionism and, in the end, will have illusions about developed capitalist countries and recklessly introduce even capitalist methods. We should not tolerate even the slight expressions of dogmatism and sycophancy and solve all problems to meet the requirements of our people and the situation in our country maintaining our own faith at all times.

Another historical lesson from the collapse of the ruling socialist parties and of the socialist systems in many countries is that the problem of continuity of leadership must be solved correctly if one is to carry the cause of socialism to the end.

We cannot regard at all that the responsibility for the disintegration of the ruling socialist parties rests with ordinary party members. In any country ordinary party members have faithfully supported the cause of the working-class party and grieved at the collapse of the party. The problem is that the continuity of revolutionary leadership has not been ensured properly.

The destiny of the cause of socialism which opens up its path in the fierce struggle against class enemies depends on how leadership in it is ensured. The struggle for socialism has developed in many countries of the world throughout a long historical period; however, correct leadership to it has not been ensured all the time. Leadership over the cause of socialism can be ensured splendidly only when an outstanding leader is put forward at its centre. There is no greater luck for people than being guided by a leader who enjoys their absolute trust for his brilliant wisdom, outstanding ability of leadership and noble virtues as well as for his lasting achievements. As a matter of course, this does not mean that the people who have no such great men who is praised as the [word indistinct], cannot carry out the cause of socialism. The most valuable aspect of the traits of the leader who leads the cause of socialism is his loyalty to this cause and to the people. The leader acquires his wisdom, ability of leadership and virtues from among the popular masses. The people are the teacher and there cannot be a prominent leader isolated from the people. Correct leadership will be ensured when one mixes with the popular masses at all times, listens to their opinion and solves everything relying on their strength, and the leader who has such a popular leadership quality is a true leader of the people. Disregarding the opinion of the people and disbelieving in their strength are the true colours of a renegade. If such renegades hold power, the misfortune the people will suffer from this will be innumerably great. The greatest misery for the people is to have a wrong leader.

If the problem of continuity of leadership is to be solved correctly in a socialist society, the party should be strong. In general, the personality and quality of the leader of a communist movement are formed through the process in which he is tempered and tested in a fierce class struggle. However, the personality and quality of the leader from among the new generation in a socialist society are shaped in the course of his being tempered and seasoned mainly through party life and the practical work of building socialism. If an admirable leader is to be put forward, a leader who has been tempered and tested through party life and revolutionary practice in a socialist society, the party should be powerful. Historical experience shows that it is quite possible to put forward an excellent leader who is faithful to the cause of socialism and the people and is also well-qualified and carry forward the cause of socialism successfully if the problem of continuity of leadership is solved in a foresighted way on the basis of strengthening the party organizationally and ideologically and observing party principle.

The collapse of the ruling socialist parties and the destruction of the socialist systems in many countries are a great loss in the accomplishment of the cause of independence for the popular masses. However, if one learns a lesson from one's failure and opens up the revolutionary path of party building independently and creatively, one will be able to build a more revolutionary and militant party and continually advance the cause of socialism under the leadership of the party.

2. Basic Principles of the Building of a Chuche-Orientated Revolutionary Party

The bitter lesson from the collapse of the ruling socialist parties and the destruction of the socialist systems in many countries demands that we should realize more deeply the validity of our party's line of building a chuche-orientated party and work still harder to implement this line.

Our party has always solved in our own way, proceeding from a chuche-orientated stand, all the problems which are raised in the building of the party and in its activities. Had our party followed others in the building of the party and in its activities, it would not have avoided loss. In the course of our party, too, there were at one time the pressure of outside forces and the machinations of the factionalists infected with flunkeyism who demanded that we should follow others. However, our party did not withdraw even a single step from its chuche-orientated line. Because we have built the party and carried out its activities in our own way, our party is energetically leading the revolution and construction as a militant detachment which is united in one mind, even in the complex situation of today.

The great leader Comrade Kim Il-song has created a chuche-orientated theory of party building and systematized it in an all-round way as he founded a chuche-based revolutionary party and led it on the basis of the chuche idea, and has also performed immortal exploits and accumulated valuable experience in party building. This is a solid asset and a sure guarantee for continually strengthening and developing our party as a revolutionary party of a chuche type.

The chuche idea is the sole guiding idea of our party. The guiding idea of a party is its fundamental idea which clarifies the goal of its struggle as well as the principle and ways for achieving this goal. The character of the party and the basic direction of its building and activities are defined by its guiding idea. The party is a political organization of people who have the same idea. Therefore, having a scientific and revolutionary guiding idea is an important problem which should be solved before anything else in party building. It is only when the party has a scientific and revolutionary guiding idea that it will be able to give party members and other people the validity of its cause and the confidence in victory, achieve the unity and cohesion of the party and revolutionary ranks in ideology and will and lead the revolution and construction to victory based upon a correct strategy and tactics.

The guiding ideas of the revolutinary parties of the working class have commoness in that they reflect the desire of the popular masses,the driving force of the revolution, for independence and their interests. Nevertheless, they cannot but have their own specific features because the situation in every country is different. In the past it was only stressed that the parties of all counties should have one guiding idea which is approved by all. However, it was neglected that the party of each country should work independently having its own guiding idea and that it should develop its guiding idea creatively. This was an obstacle for each country in building the party and making revolution independently to meet its own situation. It is only when a corrcect guiding idea is created and developed from an independent and creative stand that the party can be built independently and the revolution and construction be carried out successfully, taking it as a guiding principle.

Because the party has to create its guiding idea to keep abreast of changing circumstances and its own situation, it should not renounce the revolutionay principle which should be invariably maintained in the buiding of the party and in its activities. The conditions under which the party works as well as its duty hangs in the curse of accomplishing the case of socialism. Therefore, the theoretical and practical problems arising in the building of the party and in its actvities should be solved creatively to meet this. However, the revolutionay principle shold be invariably maintained because the class character of the party and it historic mission cannot change. Renouncing the revolutionary principle because of the change in the circumstances and conditions precisely means detroying the revolutionary party and betraying the revolutionary cause of the popular masses.

The great leader Comrade Kim Il-song created the chuche idea and thus found a brilliant solution to the question of providing the party's guiding ideology which meets the requirement of our times and the realities of our country. The validity and vitality of a revoltionary idea are defined by how correctly the idea reflects the masses' desire for indepedence and their interests and how scientifically it elucidates the way to met them. The chuche idea reflects most corrctly the fundamental requirement of the working class and other working masses and lights the way of its implementation in an absolutely scientific way.

The fundamental demand of the working class and other working people is to end exploitation and oppression of man by man and to enjoy to their hearts' content an independent and creative life as masters of the state and society. Because it mirrors the masses' desire for independence correctly and shows the way of its implementation in a comprehensive way the chuche idea is an absolutely perfect revolutionary ideology of the working class which represents the new age in which the popular masses have emerged on the arena of history as masters of their destiny. It is only when party building and its activities are guided by the chuche idea that the party can consolidate and develop itsef steadily and carry out the revolution and construction with success. This is a truth proved by our revolutionary practice.

Developing the party into a mass party of the working people is a basic principle of building our party.

Formerly a party was regarded as a political organization of a class, representing and defending the class interests and as a weapon of class struggle the party is the vanguard of a class which fights to realize the demand and aspiration of the class. But, if it is built as a party for that class alone, it is impossible for it to perform its duty properly as a revolutionary party or win the support of the broad masses of the people. The historical condition of our times in which the broad masses of the people have emerged as masters of their destiny requires that the working class party be developed into a mass party which represents the interest of the entire people and embrace progressive elements of all classes and sections of the working population. In socialist society in which all strata of the popular masses have become socialist working people and the social and class composition is becoming more and more homogeneous, it is all the more necessary to develop the working-class party into a mass party.

The great leader Comrade Kim Il-song, with a scientific insight into the requirement of our times and the specific situation of our revolution put forward the theory of building a mass party, thus pavng the new way of building the revolutionary party. The theory of building a mass party evolved by the great leader is based on the chuche revolutionry principle that the popular masses are the masters and the motive force of the revolution and construction. The cause of socialism is the undertaking of the people and for the people. Today when the broad masses of the people aspire to socialism and the social and class foundations for socialism have been expanded further, the party which fights for the cause of socialism must naturally be developed into a mass party which represents the interests of the entire people and strikes root among the broad working masses.

The party's development into a mass party must not result in the weakening or changing its revolutionary and working-class character. The class character of the party is defined by its guiding ideology and fighting objective. Its revolutionary character is manifested in its loyalty to the revolutionary ideology of the working class and to the socialist cause. The cause of the working class conforms to the interests of the entire people, and the working class can achieve the socialist cause successfully ony when it rallies the broad strata of the population behind it. It is, therefore, lawful requirement for building the revolutionary party to develop the party into a mass party which champions the intersts of all the people and comprises farmers and intellectuals as well as the working class. Experience shows that when it fails to become a mass party of the working people, the party may be reduced to a political minority of communists when it finds itself in a trial only when it is built as a mass party which thoroughly champions the masses' desire for independence and their interests and strikes root among the wide sections of the working people, can the party maintain its unbreakable ties with the masses and succeed in the socialist cause by relying on the inexhaustible energies of the people who are rallied behind it.

The great leader, on the basis of the line of building a mass party, built a revolutionary party of chuche which consists of the advanced elements of the workers, farmers and working intellectuals and champions the interests of the popular masses and thus set a brilliant example in the building of a mass party. He got a hammer and sickle symbolizing workers and farmers as well as a brush symbolizing working intellectuals inscribed in the party's emblem in keeping with the characteristics of our party, the mass party, and has led the party to forming a harmonious whole with the masses and to rendering loyal service to all the people by providing them with an independent and creative life. Our party has developed into an unconquerable revolutionary party which enjoys unqualified support and trust of the popular masses. It has become a powerful motive force of the revolution by welding itself with the masses into a socio-political organism with shared life and destiny. This is an excellent fruition of the great leader's line of building a mass party and ensures all our victories.

Firmly establishing the singleness of ideology and leadership within the party is a fundamental principle of building our party.

The durability and vitality of a revolutionary party is ensured by the singleness of its ideology and leadership. The monolithic ideology and leadership is essential for the unity of idea and purpose within the whole party and for its effective leadership of the revolution and construction.

The monolithic ideology and leadership in party is best achieved when the party is guided by a distinguished leader. A leader, who is endowed with brilliant intelligence, upstanding leadeship ability and noble virtues formulates the lines and policies which reflect the masses' desire for independence and their interests correctly and organizes and guides their reactive activities to success. A party which does not support its leader's ideology and guidance or does not inherit his cause cannot be called a revolutionary party.

The monolithic ideology and leadership in a party is guaranteed by centralist discipline. This monolithism can be ensured only when the party has established a centralist work system and order by which all the party organizations and its members obligatorily implement its lines and policies and its entire membership acts as one according to the instructions of its central committee. The establishment of monolithic ideology and leadership in a party does not conflict with democracy, but provides a sure guarantee for genuine demoracy. When the monolithism of ideology and leadership is not established and an unprincipled democracy is permitted within the party, democracy may be suppressed by bureaucracy and arbitrariness which is manifested among the officials who lack in party discipline and the unity and cohesion of the party may also be broken and divison encouraged by undesirable elements lurking in the party. The occurrence of undisciplined practices and disorder and the emergence of actions in some parties over recent years, which led finally to their disintegration and collapse were due in no small measure to the failure to ensure their monolithic ideology and leadership, resulting from undue emphasis on democracy. It is only when the singleness of ideology and leadership is properly combined with democracy in a party that a truly comradely unity is achieved among the party members, the unity of the superiors and subordinates guaranteed smoothly, and its lines and policies carried out with success. Our party has made it the basic principle of party building to maintain the singleness of its ideology and leadership, established the monolithic ideological and leadership system firmly among all its membership and, thus has been able to develop and strengthen itelf into an unbreakable, militant organization which thinks and acts as one under the guidance of the leader. Experience in our party building shows that democracy based on an unshakable, monolithic ideology and leadership makes it possible for a party to push forward the revolution and construction forcefully by uniting all its members firmly with one ideology and purpose.

It is the main task in our party building to strengthen the party's unity and cohesion.

The unity and cohesion of the party is its lifeblood and the source of its might. The party whose unity and cohesion are disrupted cannot maintain its own existence. The unity and cohesion of the party is a prerequisite for achieving the political and ideological unity of the whole society. The unity of the broad masses behind the party and the leader in their struggle constitutes the major driving force for a rapid development of the socialist society and is the source of its unconquerable strength. Political and ideological unity of the whole society is inconceivable without the unity and cohesion of the party. The party is the hard core that links the popular masses with the leader organizationally and ideologcally. In order to achieve the political and ideological unity of the whole society by rallying the popular masses firmly behind the leader, it is essential to achieve the unity and cohesion of the party ranks, the hard core, before all else.

The unity of the party behind the leader in ideology and purpose and in morality and loyalty is the most durable of unity. Association which is based on a mere sense of duty or on business routine cannot last long nor can it withstand the severe trials of the revolution. Only the solid, single-hearted unity behind the leader, which is based on one ideology and purpose and loyalty to the revolution can be an unbreakable unity and cohesion capable of overcoming whatever hardships and trials.

The work of strengthening the unity and cohesion of the party must be intensified steadily. If the remaining content with the unity and cohesion of the party that has been achieved, to not make continued efforts to consolidate it, the unity and cohesion may be gradually weakened and, in the long run, can be destroyed. It is important to launch an effective struggle to preserve the unity and cohesion of the party especially when one revolutionary generation is replaced by another and when the internal and external situations are complex. Historical experience shows that under such situations, ambitious elements and renegades appear and try to wreck the unity and cohesion of the party.

The struggle of maintaining the unity and cohesion of the party is, in the final analysis to combat the heterogeneous ideological trends of all description, detrimental to the unity and cohesion of the party the most dangerous of the ideological trends that undermine the party's unity and cohesion is factionalism and other counterrevolutionary ideological trends. If we tolerate counterrevolutionary ideological trends within the party, antiparty groups will be formed on the basis of them and destroy the party. In order to maintain the unity and cohesion of the party, it is also necessary to guard against parochialism, nepotism and other unsound ideological elements. Parochialism and nepotism are the hotbed of a faction and if they are connived at they can grow into a faction and break the unity and cohesion of the party. We must remember that heterogeneous ideological element harmful to the party's unity and cohesion can germinate from the survival of outmoded ideas or infiltrate from outside, and must always pay close attention to them.

Historical experience shows that if we neglect paying attention to consolidating the unity and cohesion of the party, thinking that the unity and cohesion of the party will not be destroyed in socialist society any more, factional forces can appear in the party and challenge the party in collusion with the counterrevolutionary forces outside the party, which will result in grave consequences. Only when we develop in depth the work of consolidating the unity and cohesion of the party regarding it as the main task in party building can we strenghthen and develop its unity and cohesion generation after genertion.

Our party achieved the solid unity and cohesion of the party a long time ago. Not resting content with it in the least, however, it has continued to work hard to strengthen the single-hearted unity of the whole party centering on the leader so that it maintains an unbreakable unity and cohesion, without any vacillation even in the present complex situation.

It is the consistent policy of our party to put stress on ideas in party building. Party is a political organization of people who are united by the community of ideology. Therefore, its ranks should be strengthened with the main stress put on ideology. This means that party ranks are built up with the people loyal to the cause of socialism, considering mainly how strong a belief they have in the party's ideology. Only when the party ranks are strengthened with the people who have a high level of ideological consciousness and are loyal to the cause of socialism, is it possible to ensure the party's solid unity in ideology an purpose and it's strong revolutionary character and enhance the vanguard role of the party members in the revolutionary struggle and the construction work. Therefore it is essental in building up the party ranks to judge people mainly and always by the ideological level and their loyalty to the case of socialism, while taking into account their socio- class position and background just for reference. Even in a society where the hostile class has been eliminated and all social members have become socialist working people, the principle of giving priority to ideology in building up the party ranks must not be violated. In a socialist society, too, some people who are not prepared politically and ideologically may possibly attempt to join the party in pursuit of selfish interests and fame. People who are greedy for selfish interests and fame are not qualified for party membership and, if they are admitted to the party, the dignity and prestige of the party may be damaged and the party itself may grow weak.

In building the party mainly by people's ideological criterion, it is extremely important to build up the ranks of cadres with the officials who are infinitely loyal to the party, the leader, and the revolution. Cadres are the backbone of the party; they educate the masses and direct the revolution. The strength of the party depends largely on the qualitative composition of the ranks of cadres. Cadres need to be competent but, above all else, should have a sound ideology. Loyalty to the party, the leader and the revolution is the first criterion of a cadre. To make up the ranks of cadres mainly by the criterion of loyalty to the party, the leader and the revolution is the fundamental matter bearing on the future of the party. The major obstacle to making up the ranks of cadres with the main stress on ideology is the violation of party principles by favouritism, personal acquaintance and the like in the work of personnel administration. If the party principles are disregarded in the work of personnel administration, unqualified people may be admitted to the ranks of cadres or even alien elements may worm their way into them.

With a view to ensuring the purity of the ranks of cadres, our party has established a strict procedure of appointment, dismissal, and ratification of cadres and has ensured that cadres are selected and appointed on the basis of the collective discussion by the party committee and on the principle of unanimous approval. Thus, only those whose loyalty and ability have been verified in the revolutionary practice have been selected and appointed as cadres. The experience of our party shows that only when its ranks and cadres are built up mainly by ideological criterion can the party be strengthened organizationally and ideologically and, on this basis, the cause of the party be consummated from generation to generation.

Establishing the monolithic ideology is the major task of our party.

The building of socialism and communism is the process of modelling the whole of society on the revolutionary ideology of the working class. Our party set as the ultimate objective of our revolution the modelling of the whole society on the chuche idea and has worked hard to occupy the ideological and material fortresses of socialism and communism by transforming ideology, technology and culture to meet the requirements of chuche.

The main aspect of modelling the entire society on one ideology is to instill the monolithic ideology in all members of society. Man is the master of society and a man's value and quality are defined, and all his activities are regulated, by his ideological consciousness.

Therefore, in order to transform the whole of society on a single ideology, it is essential to educate man and transform his ideology before anything else.

Man is not only the transformer of nature and society but also the reformer of himself. The ideological remoulding of man is also influenced by the change and development of the objective conditions of society. In particular, the change and development of the social system exerts a great influence upon that of ideological consciousness. But the change of the objective conditions does not bring about that of man's ideological consciousness spontaneously.

Ideological consciousness is a consciousness which reflects the demand and interests of man and it has a relative solidity. Unless man works to remould his ideological consciousness despite the change of the objective circumstances and conditions his ideological consciousness cannot be remoulded. If we think that people will have the socialist ideology automatically after the establishment of the socialist system and slight their ideological remoulding, old ideologies may revive in socialist society, too. Man's ideological consciousness is more difficult than the reform of social relations and the development of productive forces. The remnants of old ideologies are very conservative and revive whenever there is room for them. Ideological remoulding, particularly in confrontation with imperialism, is accompanied by a serious class battle. Therefore, we must direct greater efforts to ideological remoulding and give definite priority to it over all other kinds of work.

If we are to equip all members of society with an ideology there must be an advantageous idea. There cannot be a vacuum in man's ideological consciousness. Unless we have a good ideology to overcome old ideologies we cannot succeed in ideological remoulding.

The great leader Comrade Kim Il-song fathered the chuche idea and, leading the arduous revolutionary struggle over nearly 70 years, made a full elucidation of how a revolutionary should live and struggle and set a fine example in doing so, thus providing us with a good ideo-spiritual wealth for ideological remoulding. The revolutionary ideology of the great leader and his history of revolutionary struggle are an invaluable textbook and mirror for imbuing all society with an ideology. The faithfulness to the party and the leader of the anti-Japanese revolutionary forerunners, the heroic soldiers of the Fatherland Liberation War and the heroes of the socialist revolution and construction and their devoted services to the country and the people are also a priceless asset for ideological remoulding.

The old ideology does not give way to a good ideology of itself. A good ideology, needless to say, has a great magnetism. But, since the imperialists and the reactionaries are playing all nasty tricks to slur the socialist ideology and beautify and embellish the bourgeois ideology it is not so easy for people to accept an advanced ideology. Only through a struggle to oppose the reactionary bourgeois ideology and equip them with the advanced socialist ideology can people be educated and remoulded along revolutionary lines. It is the most important task set before the parties building socialism to carry out a vigorous ideological work to prevent the penetration of the reactionary bourgeois ideology and equip people with the socialist ideology. Only when the revolutionary parties do well an ideological work to overcome the reactionary bourgeois ideas of all hues and arm people with the advanced socialist ideology can they firmly guarantee the victory of the socialist ideology and succeed in imbuing all society with an ideology.

For the ideological remoulding of all society the party must give priority to the ideological education of its members. In other words, a party must educate its members first and then make them educate the hardcore masses to educate the broad masses. The education of the hardcore masses by the party members and the education of the broad masses by the hardcore masses is an effective method of educating and remoulding all members of society by making one person educate ten persons, ten persons a hundred, a hundred persons a thousand, a thousand persons ten thousand persons. A party member is a political activist by nature and it is the duty of a party member to conduct political work to educate and remould the masses. When a party refuses to give precedence to the ideological education of its members they cannot fulfil their duty as a political activist and may degenerate ideologically. The traitors to the revolution who appeared in some ruling socialist parties were not anti-socialist from the first. They neglected the revolutionary education and tempering of the cadres and their members, with the result that some people gradually degenerated and turned their coat. In the light of this lesson we must always pay primary attention to the revolutionary education and tempering of the cadres and the party members.

In order to succeed in the ideological tempering of the party members we must lead them to live the party life well. Party life is a furnace for ideological tempering. When the party members fail to lead party life and come out of the control of party organizations they become liberalistic and degenerate ideologically. Proceeding from the need of their political integrity the party members must participate voluntarily in the party life. Our party established well-regulated system of party life which enables its members to exalt their political integrity and fulfil their duties through their party life. Our party has led all its organizations to ensure proper organization and guidance so that their members take part in the party life consciously and faithfully in compliance with the norms of the party rules, with a correct view of the party organizations, and temper themselves steadily in a revolutionary way through the party life.

Ideological reform is possible through ideological education and struggle. Ideological education is a work to equip people with revolutionary ideas; it needs a certain system and definite forms and methods. Our party established a well-regulated system of ideological education within itself and has run it regularly. It has steadily improved the forms and methods of ideological education as required by the developing situation. Ideological struggle is an important form of ideological remoulding that is performed through criticism; criticism is a tonic for preventing people from falling ill ideologically. Our party established a sound atmosphere of criticism within itself so that ideological struggle is conducted through criticism to temper the cadres and its members along revolutionary lines.

For the ideological remoulding of the whole society the party must responsibly educate the masses, too. The greatest love for the people is to equip them with the consciousness of independence and awaken them ideologically, and the most serious crime against the people is to paralyze their consciousness of independence and degenerate them ideologically. The responsible education of the popular masses by a party is an expression of its boundless love for them.

The party organizations should guide all cadres and its members to conduct widely political work among the masses, and they must educate the masses through the working people's organizations. Conducting the work with the masses by activating the working people's organizations is our party's principle of guiding the masses. Proper guidance of those organizations is an important duty of the ruling socialist party which is the political leadership organization of society. The working people's organizations must work independently but they should not be left without the guidance of the working-class party. It is the working-class party that represents the interests of the popular masses most thoroughly in socialist society. So the working people's organizations must always conduct their activities in accordance with the party's lines and policies. The "independence" of the working people's organizations, free from the leadership of the party, eventually reduces the working people's organizations to a tool for the counterrevolutionary forces against socialism. The socialist ruling party must give correct guidance to the working people's organizations so that they conduct their work of educating and remoulding the masses of all strata independently, creatively and skilfully, in accordance with their duty and character as organizations for ideological education. The party's norms of the organizational and ideological life are an example of the organizational and ideological life in the working people's organizations. But, unlike the party composed of the advanced elements of the working people, the working people's organizations are mass organizations which embrace the broad masses. As every working people's organization has its own characteristics, its organizational and ideological life should be arranged to suit its characteristics.

The fundamental method of mass education is explanation and persuasion. People's ideology cannot be remoulded by administrative orders or by coercive methods. People should be made to accept ideology as his faith thoroughly through explanation and persuasion. Officials should always explain to the masses and persuade them steadily and patiently. Influencing people by positive examples is an effective method of educating them. The affirmative are the progressive and beautiful things that meet the demands of people for independence, so they exert great influence on people. Support for the affirmative itself is a criticism of the negative, and shows people the ways of overcoming the neagative. Our party's experience shows that there is no one who cannot be educated and reformed if we do explanation and persuasion and influence people properly by positive examples in education.

Great efforts should be directed particularly to the education of the younger generation in the education of the masses. The older generation of the revolution should pass over to the younger generation a high revolutionary spirit and creative ability. Of course, material wealth should be handed over to the rising generation, but whatever abundant materials wealth they inherit, they bungle the wealth if they lack a revolutionary spirit and creative ability. In those countries where capitalism has revived, not a new young people took the lead in opposing socialism. This is due to their parties which had not guided them correctly. It is the important duty of ruling parties under socialism to educate the young generation along revolutionary lines so that they can firmly defend the socialist system and complete the revolution through generations. Historical experience shows clearly that when the young generation are not educated in a revolutionary way we lose the revolutionary gains attained at the cost of our blood.

Today in our country the young people are working devotedly to develop socialism further under the leadership of the party and all the youth and children are growing up as dependable successors to the revolution. This patently shows that the leadership of our party which has put great efforts into the education of the rising generation was very correct. We should not rest content with the successes which have been achieved in the education of the younger generation, but should train them more fully as revolutionaries of a chuche type.

It is the basic mission of our party to guarantee firmly the political leadership of the whole society.

The revolutionary working-class party in socialist society is charged with the mission of assuming responsibility for the destiny of the people, forging it and providing them with independent and creative lives. If the party is to fulfil its mission it should firmly ensure its political leadership in politics, the economy, culture, national defence and all other fields of the country. The party's responsibility for the destiny of the people is inseparable from its leading position. The revolutionary party's renunciation of its leading position and role is the evasion of its responsibility for the destiny of the people. It is the fundamental direction of the building of a ruling party under socialism to enhance the leading position and role of the party so that it can firmly ensure its political leadership for the whole society.

The great leader Comrade Kim Il-song wisely guided our party to strengthen its position as a political leader of society and enhance its role as such. Our people recognize only the Workers' Party of Korea as their political leader and entrust their destiny entirely to the party and are full of a firm determination to complete the revolutionary cause of chuche under the leadership of the party.

The leadership of a revolutionary party to the revolution and construction should be political leadership.

First of all, the party should map out correct policies. The lines and policies of a revolutionary party should correctly reflect the independent demands and interests of the popular masses, and, to this end, the party should heed their will and demands well. Our party has believed in the popular masses as its teacher, always gone among the masses, given ear to their voices and shaped its policies which reflect the demands and interests of the popular masses. As a result, our party has been able to avoid right and left deviations in framing its lines and policies, and our party policies have commanded the full support of the popular masses. The party should not only map out correct policies but also lead its organisations to carry out its policies thoroughly. The important duty of the party organisations of all levels is to organize, control and guide the execution of the party policies. When the party organisations implement the party policies correctly, they can be embodied in actual life to propel forward the revolution and construction with success.

The party should give priority to political work in all its activities to give full play to the revolutionary enthusiasm and creative activity of the popular masses. It is the intrinsic demand of socialist society to give precedence to political work in all activities. The revolutionary enthusiasm and creative activity of the working people who are masters of state and society can be brought into full play only by political methods. The capitalist method of moving people by coercion or money, which is contrary to the intrinsic nature of socialist society, not only cannot give full play to their revolutionary ardour and creative activity but also results in the degeneration of the socialist system itself. Only the method of giving full rein to the revolutionary fervour and creative activity of the popular masses by giving priority to political work is a revolutionary method of strengthening the socialist system and giving full play to its advantages. By giving precedence to political work in all its activities our party has been able to promote the revolution and construction dynamically in reliance on the high revolutionary enthusiasm and creative activity of the popular masses and give full play to the advantages of the socialism of our own style which is centred on the popular masses.

The embodiment of the revolutionary mass line is the consistent policy of our party in its leadership of the revolution and construction.

The revolutionary mass line is the principle of our party activity based on the viewpoint that the driving force of the revolution and construction is the popular masses. The fundamental demand of the revolutionary mass line is to make the popular mases hold a position as masters in revolution and construction and fulfil their role as such. The revolutionary party which represents the interests of the popular masses and serve them must make the revolutionary mass line as the fundamental principle of its activities and thoroughly implement the revolutionay mass line in the whole course of the struggle for socialism.

If the revolutionary mass line is to be carried out thoroughly in the activities of the party, the method and style of work of the officials should be improved steadily. The connection between the party and the masses is established by the officials, and the masses' support for and trust in the party largely depend on the officials' method and style of work. In socialist society some unprepared officials may throw their weight about and be bureaucratic. Originally, wielding power and bureaucracy is a ruling method of old society for oppressing and exploiting the people. As experience shows, if the officials wield power and resort to bureaucracy, they will divorce the party from the masses, and may finally ruinate the party. To struggle uncompromisingly against exercise of power and bureaucracy is an important work which the ruling party under socialism should not neglect even a moment.

Since the change of generations takes place in the ranks of cadres and the proportion of the officials who are not amply tempered in the revolution increases, we have continued to pay great attention to the elimination of the old work method and style. Under the slogan of we serve the people " our party has guided all our officals to serve the people faithfully and strengthen the kindred relations with the popular masses. As a cosequence, our officials have established he revolutionary work method and popular work style whereby they defend the interests of the masses of the people, go among the masses and work in reliance on them, have good times and bad with them, and lead the masses by setting examples for them. Our people's great support for and faith in our party is the proud fruition of its revolutionry mass line thoroughly implemented in its activities and of its unremitting efforts to make the officials establish the revolutionary work method and the popular work style.

We should apply more thoroughly the chuche-based theory of the building of the party whose validity and vitality have been demonstrated full in practice, and thus strengthen our party without cease and complete the revolutionary case of chuche under its leadership.

3. The Internationalist Unity and Solidarity of Revolutionary Parties

Strengthening internationalist unity and solidarity with the revolutionary parties is an important demand for our party to discharge creditably its national and internationalist duties.

The basic task of a revolutionary party is to give independence to the popular masses. Their independent cause is not only the national but also the common cause of mankind and the struggle to realize the independence of the popular masses in each country is closely connected with the struggle to make the whole world independent. An independent world is a world which is free from domination and subjugation and intervention and oppression and in which all the countries and nations exercise complete sovereignty as the master of their destiny. With the promotion of global independence a favourable international climate is created for the independent development of all countries and nations. Meanwhile, victory in the struggle for the independence of the popular masses in each country reinforces the independent forces of the world and thus accelerates global independence. In league with one another the imperialists and the reactionary forces of all shades are impeding the implementation of the independent cause of the popular masses and the internationally united reactionary forces are making a challenge to the independent cause mf the popular masses. This makes it indispensable for all the revolutionary parties and people aspiring after independence to unite and pit themselves against it.

The people of the world are joining in the same struggle because of the community of their goal and task of struggle for independence. "People of the world advocating independence, unite!"—this is the slogan to be put up jointly by all the people in our era.

If all the people advocating independence are to unite and wage a struggle, the internationalist unity and solidarity of the revolutionary parties, their hard-core unit, should be strengthened, first of all.

Strengthening internationalist unity and solidarity in the implementation of the independent cause of the popular masses is an important factor for its triumph. The struggle for the victory of their independent cause is now going through an ordeal. But if they strengthen solidarity with one another, unite in a comradely manner and fight on, all the revolutionary parties the world over will be able to check and frustrate the counterrevolutionary offensive by the imperialists and reactionaries and pave the way for victory.

The internationalist unity and solidarity of the revolutionary parties should be realized on the basis of the socialist idea. A revolutionary party devoid of the socialist idea is unthinkable and the unity and solidarity between the parties not based on the socialist idea cannot be called genuinely revolutionary unity and solidarity. The purpose of strengthening the internationalist unity and solidarity is not for its own sake; it lies in united efforts to accomplish successfully the common cause of socialism. It is a bound duty of the revolutionary parties to unite firmly on the basis of the socialist idea. The Pyongyang Declaration reflects the firm determination to defend and advance the cause of socialism. Its publication is of epochal significance in strengthening the internationalist unity and solidarity of the revolutionary parties and in advancing the socialist cause.

The Pyongyang Declaration has affirmed that socialism is the ideal of mankind and that it is a society which represents the future of mankind and a genuine society of the people. Although the socialist idea is the ideology of the working class, it is not the one which represents the interests of one class alone; it is the universal idea for mankind which reflects the social nature of human being. It is not only the idea of class emancipation but also the idea of national and human liberation which reflects the desire for independence of all nations and the whole mankind. Only when they advance along the road of socialism in which the popular masses are the masters of everything and everything serves them, can all the people lead a free, equal and dignified life suited to the independent nature of human being and can all the countries and nations free themselves from all sorts of domination and subjugation, achieve independent development and ensure the lasting peace and security of the world which guarantee the existence and progress of mankind.

By confirming the truthfulness and validity of the cause of socialism and the inevitability of its final victory, the Pyongyang Declaration is infusing the revolutionary people of the world aspiring after independence with confidence in victory and a revolutionary fighting spirit, while dealing a heavy blow at the imperialists and reactionaries who are frantic in an anti-socialist campaign, making much ado about the "end" of socialism.

The fact that a hundred and scores of parties have signed the Pyongyang Declaration and the revolutionary people over the world are making an active response to the declaration proves irrefutably that the socialist idea explicated in the Pyongyang Declaration reflects the desire and aspiration of progressive mankind. The revolutionary parties will be able to strengthen further the internationalist unity and solidarity based on the common idea and advance dynamically the cause of socialism when they wage a struggle with the Pyongyang Declaration as their common fighting programme.

The internationalist unity and solidarity of the revolutionary parties must be achieved on the basis of independence. There is no need to establish an international centre of leadership since each country makes a revolution in different circumstances and conditions and the party of each country is active independently. The revolutionary parties will achieve a genuinely internationalist unity, only when they establish a comradely relationship on the basis of independence and equality instead of such a relationship as one being higher and the other lower and as one dictating and the other dictated. It is impermissible for the revolutionary parties to interfere in the others' affairs and to force one's opinion on the others in their relationship, contrary to independence and internationalism.

An urgent common task facing the revolutionary parties at present is to defend socialism from the counterrevolutionary offensive by the imperialists and reactionaries.

The imperialists and reactionaries are now indulging themselves in a vicious manoeuvre against socialism but it is fated to a bankruptcy. The revolutionary parties and people the world over are turning out in a new struggle, overcoming temporary confusion. It is inevitable for the masses of people to fight against a force so long as it represses their independence, and the cause of socialism emerges victorious through this struggle. This is a law governing the development of history. The imperialists are now swashbuckling, but they are confronted with a serious crisis. As the monopolies grow, the reactionary, anti-popular character of modern imperialism further reveals itself and the discontent of the working people at the corrupt and ailing capitalist society is growing as the days go by. The aspiration to build an independent, new world under the ideals of independence, peace and friendship is becoming intenser among the world progressive people. Although socialism is undergoing an ordeal, they can change a disadvantageous situation into a favourable one and turn misfortune into a blessing, if they counter the counterrevolutionary offensive of the imperialists and reactionaries with revolutionary offensive, full of confidence in victory.

Now that the imperialists and reactionaries concentrate their spearhead of attack on the socialist countries which are faithful in the revolutionary principles, it is very important for all the revolutionary parties and people to unite and strengthen internationalist support to and solidarity with the socialist countries. The frustration of all the criminal manoeuvres of the imperialists and reactionaries to isolate, blockade and invade the socialist countries is a common urgent task of the revolutionary parties and people in their struggle for safeguarding socialism.

The imperialists and reactionaries are resorting to all sorts of tricks to prevent socialism from reviving in former socialist countries. This is a scheme to put the people of these countries under the yoke of domination and subjugation forever. A catastrophic crisis has been created in the countries where capitalism has revived owing to the criminal moves of the imperialists and the reactionaries. The crisis these countries are now faced with is not a crisis of socialism but a crisis of revived capitalism, and it means the bankruptcy of the idea of bourgeois revival. The resurgency of socialism is the only way out of political, economic, ideological and moral confusion and crisis which are becoming more serious with every passing day in the countries where capitalism has revived.

The imperialists are resorting to every conceivable heinous plot to hold in check the advance to socialism of the people of those countries which were subjected to national oppression and exploitation in the past and which have now embarked on the building of a new society. This is aimed at preventing them from taking the road to independence. Fighting against the imperialist moves for trampling down their independent rights and for strengthening neocolonial exploitation and plunder of them is an important link in the whole chain of common struggle for socialism.

In the developed capitalist countries, too, bipolarization—"the rich getting ever richer and the poor ever poorer"—is being stepped up and the confrontation between them is being intensified, and all sorts of social evils are becoming more serious owing to the strengthening of monopolies. Accordingly, the oppressed working masses are actively turning out in the struggle, lifting up their voice calling for the rights to existence, democracy and independence.

The victorious advance of the common cause of socialism will be accelerated further when the revolutionary parties and peoples give active support and encouragement to those parties and peoples that are waging an undaunted struggle for socialism under different circumstances and conditions.

It is an important task of the revolutionary parties to form a united front with the democratic political parties and organizations in the struggle to accomplish the cause of socialism. In the implementation of the socialist cause of opposing exploitation and oppression and realizing the independence of the popular masses the revolutionary parties, and democratic parties and organizations coincide with one another in their demand and interests. The socialist cause will be pushed forward, if the revolutionary parties strengthen unity with all the democratic parties and organizations and cooperate with them actively on the principle of mutual respect in the joint struggle for the independence of the popular masses in opposition to exploitation and oppression.

If the independence of the popular masses is to be realized, an anti-imperialist struggle should be launched dynamically. The main target of struggle in defending socialism and achieving global independence is the U.S. and other imperialist reactionary forces. Taking advantage of the destruction of the balance of power on the international arena, the modern imperialists are machinating more viciously than ever before to realize world domination by dint of force. Without the struggle against imperialism, it is impossible to realize the independent aspiration and demand of the progressive peoples of the world who are opposed to domination and subjugation and aggression and war. Struggling against domination and subjugation and aggression and war by imperialism, is a natural demand of the independent cause of the popular masses and compromising with the imperialist policy of domination is the betrayal to their cause of independence. To maintain the principled stand against imperialism is the bound duty of the revolutionary parties. All the revolutionary parties and the progressive forces will be able to check and frustrate the imperialists' moves for aggression and war if they regard the struggle against imperialism as their common duty and fight resolutely against it.

The driving force in the struggle to make the whole of the world independent is all the anti-imperialist, independent forces. All the anti-imperialist, independent forces should unite in order to put an end to domination and subordination and interference and suppression by the imperialist, to establish a fair international order based on independence, to eliminate aggression and war and to ensure world peace and security. The imperialists are applying all crafty manoeuvres to divide the anti-imperialists, independent forces and set them at variance. The anti-imperialist, independent forces can frustrate the imperialists' manoeuvres for division and alienation and emerge victorious only when they counter their machinations with the strategy of unity. All the anti-imperialist, independent forces can unite, transcending the differences in social systems, political views, ideas and religious beliefs, nations and races as they have common desire for independence, peace and friendship. Should all the anti-imperialist, independent forces including the socialist countries, the international communist and working-class movements, the national-liberation movement, the non-aligned movement and the world peace movement unite in the struggle, they can put an end to imperialist domination and interference and build an independent, new world.

The cause of independence and socialism of the popular masses is a sacred one for bringing the ideal of mankind to reality. To unite and struggle for the victory of the cause of independence and socialism of the popular masses is an honourable duty to be discharged by the revolutionary parties for history and the people. The current complex and difficult situation makes it necessary for the revolutionary parties to fight resolutely in firm unity, filled with the conviction of sure victory and an indefatigable revolutionary spirit as never before.

Our party will, as ever, unite firmly and actively cooperate with the revolutionary parties all over the world for the victory of the cause of independence and socialism of the popular masses and will discharge its noble mission and responsibility for the Korean revolution and the world revolution.

South Korea

Car Exports to U.S. Continue To Decline

SK0311045892 Seoul THE KOREA HERALD in English 3 Nov 92 p 8

[Text] Korea's car exports to the United States, which peaked in 1988 at more than 480,000 units, have continued to decline thereafter and are down to 100,000 units or so this year.

The export figure for the first nine months of the year was 75,396 units, down 32.8 percent from 112,226 units registered in the same period last year, the Korea Automobile Manufacturers Association said.

The sagging car shipments to the U.S. market are ascribable partly to the weakening price competitiveness of Korean-made cars, association officials said.

Korean cars made their debut on the U.S. market in 1986 with 203,594 units sold there. The sales figure increased to 442,557 cars the next year and peaked at 481,003 units in 1988.

Car shipments to the United States, however, started to decrease in 1989, with 233,515 units that year, 195,926 units in 1990 and 171,024 units last year.

Association officials are projecting car exports to the United States at 107,000 units for this year, down 37.5 percent from last year.

Ministry Pinpoints New Foreign Policy Directions

SK0211024492 Seoul THE KOREA TIMES in English 1 Nov 92 p 17

[By staff reporter Chae Hui-muk]

[Text] The government foreign relations will be focused on active participation in both bilateral and multilateral activities to pave the way for the unification of the Korean peninsula as diplomatic relations with China were established this year.

The former Soviet Union and China were major hindrance to the unification but the two superpowers have accorded diplomatic recognition to the South although they continue to keep diplomatic ties with the North.

The Foreign Ministry has pinpointed four major directions in medium- and long-term international relation policies—settlement of a peace structure in Northeast Asia, formation of an international atmosphere for unification, economic diplomacy for substantial benefit to enter the advanced economies and play an active role in international society.

First of all, the nation will put priority on peace in the Korean peninsula, coping with reorganization of world order in the post-Cold War era.

In this connection, it is necessary for the country to make efforts to form peace in the Asia-Pacific region and Northeast Asia through existing organizations such as the Economic and Social Commission for Asia and the Pacific (ESCAP).

The two bodies have come under a new spotlight among member nations in recent years as their role has become greater.

Korea will attract support from the United Nations and other organizations as well as traditional allies of the U.S. and Japan to guarantee security in the Korean peninsula.

The UN, which South Korea joined along with the North in 1991, will become an arena to form an atmosphere for peace in the Korean peninsula.

Korea will work out diplomatic policies based on bilateral security system between Korea and the U.S. and between the U.S. and Japan as the U.S. plays a leverage role in the world.

In particular, the government will solidify security cooperation with the United States and change of the North attitude towards the South will be prerequisite to the national unification.

The government plans to make efforts to open diplomatic relations with attractive nations, such as Vietnam, South Africa, Syria and Egypt. But an official of the Foreign Ministry said that no linkage of loan or economic aid will be made in establishment of diplomatic relations with those countries unlike previous cases such as the former Soviet Union and Hungary.

Vietnam and South Africa have great potential for economic cooperation, while Syria and Egypt are important in political aspects as they are tied with the North, the official said.

In particular, the government intends to set up diplomatic ties with Vietnam by the end of this year. A representative office has already opened in Hanoi as a prelude to the full relations.

More important in the international relations is economic sector as ideological confrontations have phased out in the wake of demise of the Soviet Union and switch of eastern European nations into democracy.

All the countries, even the socialist China, have focused on economic development and economic nationalism has continued to grow.

As a result, political disputes have mainly come from trade and economic frictions. In this connection, Korea will need more diplomatic activities in the economic sector in the years to come.

Uruguay Round of multilateral talks on free trade initiated by the GATT will become a basic frame in the future trade when it ends successfully.

The round will become a burden to Korea as most of markets must open to foreigners.

The regionalism is another threat to Korea. The projected single European market next year and the North American Free Trade Association (NAFTA) will further block exports of Korea which mainly depends on trade for its economic development.

To survive the ever-worsening world economic environment, Korea will be obliged to double diplomatic efforts next year.

Foreign Minister Yi Sang-ok's trip to Brussels on Nov. 12 for talks with the European Community is one of the Korean government's attempts to smooth bilateral economic relations with the member nations.

Members of the European Community has been busy in finalizing its single market frame along with political union. The EC has lodged a variety of complaints about Korean laws and practices alleged to be unfair to them, while forming protectionist regionalism.

The Korean government has already promised to the EC equal treatment for European intellectual property holders with the United States and has lowered taxes on foreign liquor at two rounds of bilateral talks this year.

Individual talks with member nations including Britain and France have already been held to solve trade disputes.

The never-ending trade disputes with the United States will result in gradual surrender of Korea at the U.S. pressure. Numerous working-level and high-level talks have been held to solve the issues.

Korea is seeking an Asia-Pacific economic cooperation organ to be composed of Pacific rim countries to combat the new world's economic order centering on regionalism. The Asia-Pacific Economic Council (APEC) will be instrumented in promoting the regional cooperation.

Korea will also seek bridging role between the Asia-Pacific economic circle initiated by the U.S. and Japan and the northern economic circle composed of the Russian Federation and China.

The government plans to enter the advanced economic group of the Organization of Economic Cooperation and Development (OECD) in mid-1990.

Economic exchange with the U.S., Japan and the EC should be expanded to get high technology and information for sustaining economic development, another ministry official said.

The country should also advance to "the northern countries" and third world nations to diversify exports and to secure natural resources, the official added.

The country will actively participate in the activities of the six-member Association of Southeast Asian Nations (ASEAN) although most of them are economic programs.

Three agreements on the avoidance of double taxation, air service and fisheries will be sought with China to facilitate brisk economic activities. Korea-China joint commissions on economy, trade and technology cooperation will also be set up for similar purposes.

Environment protection has emerged as political concerns in the world as pollution threatens human beings, plants and animals. A variety of international conventions have been ratified by many countries.

The Korean government has signed two ozone-related conventions—Vienna Convention on protection of ozone layer and Montreal Protocol concerning substances depleting ozone layer.

It also plans to ratify other environment-related international conventions next year to actively participate in the environment protection.

In particular, depletion of ozone layer, which filters ultraviolet rays causing cancer and damaging crops, green house effect and marine pollution are major environment issue.

This year, the government has gained many diplomatic achievements such as set-up of diplomatic relations with China on Aug. 24. On the occasion of President No's visit to Beijing on Sept. 17-30, substantial economic exchange is expected to be brisk between the two countries.

President No also visited the United Nations on Sept. 20-25 and delivered a speech on efforts to settle peace and unify the Korean peninsula. He also met heads of some 40 countries during his visit to the UN.

No also plans to visit Japan to solve pending issues, following the visit of the Japanese prime minister in January. As a close neighbor country, Japan is very important to Korea politically and economically.

Bulging trade deficit of Korea with Japan is one of thorny issues to be tackled in the future. In this connection, No is to make one-day tour to Japan despite public criticism.

The relations with the Russian Federation will also improve although the payment guarantee on loans has yet to be solved. Ministry officials predict that the pending issues will be settled when President Yeltsin visits Seoul on Nov. 18-20.

No-Miyazawa Talks To Skirt Difficult Issues

SK3110061092 Seoul YONHAP in English 0525 GMT 31 Oct 92

[Text] Seoul, Oct. 31 (OANA-YONHAP)—South Korea and Japan will skirt the two major bilateral issues—comfort women and the trade imbalance—in informal talks between their leaders on Nov. 8, officials said Saturday.

"The summit, scheduled for 70 to 80 minutes, will deal mostly with regional issues. On bilateral matters like comfort women and the trade deficit, the two leaders will stop at jointly expressing hopes that working-level negotiations will progress successfully in resolving the controversies," an official said.

Korean President No Tae-u is to go to Kyoto for a one-day informal visit to meet with Prime Minister Kiichi Miyazawa.

While presidential aides said No and Miyazawa would deal with the latest political developments in the region, the media and lawmakers have asked why he is going and harshly criticized No for planning an ill-timed and insubstantial meeting with Japan's prime minister.

Japan has yet to admit that it forced Korean women to serve in frontline brothels for Japanese soldiers during World War II, and nothing concrete has been done to rectify Tokyo's huge trade surplus with Seoul.

"Foreign Ministry directors-general met earlier this month and Seoul fully delivered its position on these matters. No and Miyazawa will touch on the two issues but will leave them to working-level talks," the official said.

No plans to brief Miyazawa on Seoul-Beijing diplomatic normalization in August and on the latest developments in inter-Korean relations. Miyazawa is expected to explain to No Emperor Akihito's China visit and the prospects for the Pyongyang-Tokyo normalization talks.

Ex-Im Bank To Open Office in Ho Chi Minh City

SK0211125192 Seoul YONHAP in English 1110 GMT 2 Nov 92

[Text] Seoul, Nov. 2 (YONHAP)—The Export-Import [Ex-Im] Bank of Korea is advancing to Vietnam. It would be the first South Korean bank ever to set foot on Vietnam after the Vietnam war.

The Finance Ministry reported Monday that it had approved a plan of the Ex-Im Bank to open its representative office in Ho Chi Minh City, Vietnam.

The representative office, set to be opened on Nov. 9, will furnish trade- and investment-related information to Korean industries and arrange monetary dealings in preparation for expanded economic exchanges between Korea and Vietnam.

Meanwhile, the Korea First Bank is promoting the creation of a bank with a 10-million-dollar captial in Vietnam in a joint venture with Vietnam's state bank.

Last year, Korea exported 199 million dollars to Vietnam and imported from the Southeast Asian country 41 million dollars.

Korean industries' direct investment in Vietnam totaled 3.6 million dollars in three projects on an execution basis and 23.7 million dollars in 10 projects on an approval basis as of the end of last June.

Prince, Princess of Wales Pay Official Visit

Visit Previewed

SK0111043392 Seoul THE KOREA HERALD in English 1 Nov 92 p 2

[By staff reporter Kim Hae-won]

[Text] Seoul City, the host of the 1988 Summer Olympics, is likely to come under world media exposure once again this week. Prince Charles and Princess Diana of Britain are to arrive here tomorrow [2 November] for a four-day, tightly scheduled tour.

There is added curiosity this time as the royal couple makes an overseas tour together for the first time since a book about their unhappy marriage was published in England and America last summer.

"By coming here together, they show that all those rumors were false. And it is a privilege for South Korea to make it happen here," one British diplomat in Seoul said last week jokingly.

Hundreds of foreign journalists are expected to come to Seoul to cover the royal visit, including 60 British journalists accompanying the couple, according to Seoul officials. Many foreign journalists who are posted in Japan are expected to also come here.

The royal couple's visit is also a great subject of interest to Korean journalists, expecially those who handle fashion and gossip. But unfortunately, media coverage of the events attended by the British couple will be severely restricted for security and other reasons. At every event, photographers and reporters are required to maintain an agreed upon position.

Princess Diana feels uneasy when crowds of photographers and journalists surround her, the British diplomat said.

Despite all this bustling, the royal couple seems more interested in promoting British goods here than ending the rumors about them.

Prince Charles, in particular, will spend most of his time here attending British goods exhibitions, opening a fair of British goods and meeting Korean businessmen.

Various events for the promotion of British goods coincide with the royal visit in Seoul.

A large-scale British trade mission made up of representatives of 36 firms will also come to Seoul along with the famous couple.

More than 100 British firms will take part in various events in Seoul this week, which include an airport/water treatment seminar, the "Britain for Korea" fair at the Seoul Hilton and a British wool textile exhibition at the Westin Chosun Hotel.

Princess Diana, who was a kindergarten teacher before her marriage 11 years ago, will visit welfare facilities for the elderly and children.

South Korean protocol officials expect no special difficulties in maintaining security during all these events.

An official said the Korean government has a rule to treat the crown princes of foreign countries the same as prime ministers from countries classified as Class B nations. Therefore, all the official events for Prince Charles and Princess Diana are prepared according to this rule except that they will have a larger dinner at Chongwadae, he said.

Korean officials, who had a hard time with security and protocol during President No Tae-u's London visit in 1989 because of the strict British royal protocol, demanded this time that the British follow Korea's protocol during the royal visit.

London has accepted this and only four British security guards will accompany the royal couple, the official said.

The prince and princess and their 21-member entourage will use the entire 20th floor of the Hyatt Regency Seoul. The royal couple will occupy the two-bedroom presidential suite.

The British side refused to allow Korean protocol officials to have a room on the same floor, claiming that once the royal couple stays there, the whole floor should be seen as a royal court. No Koreans, even maids for cleaning, are allowed on this floor. Therefore, hotel attendants need to bring food to the 19th floor to be then relayed by British officials to the royal couple on the 20th floor.

UK's Hurd on Relations

SK0111143892 Seoul CHOSON ILBO in Korean 30 Oct 92 p 7

[Article contributed to CHOSON ILBO by Douglas Hurd, UK Secretary of State for Foreign and Commonwealth Affairs—date not given; first paragraph is editor's note]

[Text] Before the official visit to the ROK by Prince Charles and Princess Diana on 2 November, UK Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd contributes an article to CHOSON ILBO on relations between the two countries, the situation of the world order after the end of the cold war, and the environment problem. In his article Secretary Hurd says that he hopes that the UK can be a channel for the ROK to advance into Europe after its merger.

Relations between the UK and the ROK are close. During the Korean war we actively supported South Korea. The UK army fought side by side with the ROK Army. The cooperative relations between the two countries are once again becoming important. In November, Prince Charles and Princess Diana will pay an official visit to the ROK for the first time.

This visit will not only upgrade relations between the two countries but will also be an opportunity to look back at the cooperative relations between them. I hope that practical development can be achieved in the relations between the two countries. The current on-going construction to repair and expand the British Embassy in the ROK is an expression of the UK's commitment to the ROK. While in Seoul, Prince Charles and Princess Diana plan to participate in the opening ceremony of the newly repaired embassy.

The work to make the EC into a single market is in its completion stage. Ninety percent of the necessary legislation has been agreed upon. Therefore, on 31 December, a market equivalent to the U.S. and Japanese market combined will be born. As the country serving as the chairman state of the EC, the UK is responsible for mapping out the remainder of the legislation through the European cabinet committee meeting. The problem of a single market is by no means an internal problem of the exclusive Europe. The EC should be opened up and advance towards the outside. Making "a European fortress," and moves to exclude partners outside the walls of Europe should not be promoted. As the investors of North Asia acknowledged, the best way to realize Europe's potential is to carry out direct trade with Europe. If the ROK invests more in Europe, the UK will welcome it. Both countries are large trading countries. Strengthening relations between the two countries will be of help in the interest of both countries. We are also impressed with the ROK's economic development. UK businesses want to carry out projects with ROK businesses. We have many things to provide to the ROK side.

Trade liberalization is an indispensable element in promoting the world's prosperity. The settlement of the Uruguay Round negotiations is making slow progress. However, people of the world view that trade is too important for the Uruguay Round negotiations to be delayed. I hope that an agreement can be reached in the near future.

Trade is an element in binding the world. Commercial relations between the ROK and Russia and the ROK and China have been linked to friendly political relations. However, we realize that there were difficulties after the end of the cold war. The international order is threatened because of the problems remaining after the cold war and the challenge of law and order. A certain country is continuously challenging international law, thus aiming to carry out terrorist acts. Iraq's invasion of Kuwait was the first test case after the cold war era. The recovery of Kuwait was successful because of the United Nations. The ROK contributed to this success. Nevertheless, Saddam Husayn is still challenging the United Nations. If we successfully deal with this kind of challenge, the international community will be able to keep in step as one team. Each region of the world should participate and support each other. This is the reason why the UK is showing scrupulous interest in Asia's development.

As a member of the EC delegation, I held talks with ROK Foreign Minister Yi Sang-ok in Manila in July. The UK and the EC support the ROK's position on the future of the Korean peninsula as a democratic country and hope that it can achieve peaceful reunification. We also sympathize with the ROK's worry over the behavior of North Korea.

Recently, North Korea signed the nuclear safeguards accord with the International Atomic Energy Agency. In this connection we hope that North Korea will rapidly and sincerely put this accord into practice. In addition North Korea should put into practice the bilateral agreement on the nuclear issue with the ROK and especially the annexed agreements on nuclear inspection. By doing so, the world will have trust in the peaceful intention of North Korea's nuclear program. We have clearly revealed our position on this to the North Korean side on many occasions.

Having an interest in other regions is increasing because of the development of the communications network and the enhancement of understanding of the earth. It is especially so regarding the environment problem. This is because air pollution in one area influences the other area. This problem was dealt with at the United Nations Environment Program conference in Rio this year.

In view of the spirit of the Rio conference, I hope that each country of the world will respect the natural environment. We also hope that the ROK will join in the agreement on changes in the environment and the agreement on international dealings of animals and plants that are faced with extinction. By doing so the ROK will be able to play an important role in preserving the earth for the next generation. From this viewpoint, I welcome the environment campaign, "Let's reduce garbage," by the CHOSON ILBO.

Democracy is always weak in accepting advice. Because pressure groups and lobbyists think that they have the possibility to become successful, they work eagerly under a democratic system. The more the democratic system is healthy, the more they give ear to advice. The most healthy democratic system is to reconfirm one's commitment on democracy through regular elections. Also, the process of fair elections justifies its result before the world.

The ROK will hold presidential elections soon. We welcome the fact that democratic reform is progressing smoothly.

We highly assess relations with the ROK, which is a democratic system. Our government supports the proposal to establish a "forum between the UK and the ROK for the future,I which will be a joint meeting between the politicians and businessmen of both countries. The UK will participate in the 1993 Taejon Expo. The ROK has actively participated in the holding of exhibitions at the UK Museum and the Victoria Albert Museum. I hope that the UK and its culture will draw closer to the Korean people. That wind will be all the more firm on the occasion of the visit to the ROK by Prince Charles and Princess Diana.

Prince, Princess Arrive 2 Nov

SK0211075692 Seoul YONHAP in English 0730 GMT 2 Nov 92

[Text] Seoul, Nov. 2 (YONHAP)—The Prince and Princess of Wales were greeted by Prime Minister Hyon Sung-chong on their arrival at Seoul airport Monday afternoon.

Prince Charles and Princess Diana, official guests of Korean President No Tae-u, went straight to Tongjak-tong national cemetery to lay a wreath and then opened the new British Embassy building.

On Tuesday, they will pay a courtesy call on President No and lay a wreath at a monument to British soldiers who fought at Gloucester Valley in the Korean war. They are to attend a state dinner in the evening.

On Wednesday, Prince Charles will attend various events, including seminars on business and the environment.

Princess Diana will tour children's homes, including the central social welfare facility at Pongchon-tong.

On Thursday, the royal couple will visit Kyongju and Ulsan.

Meet President No

SK0311033992 Seoul YONHAP in English 0219 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (OANA-YONHAP)—South Korean President No Tae-u and the Prince and Princess of Wales hoped for broadened ties between their two countries in a meeting Tuesday.

No delivered his people's appreciation for the sacrifices by British soldiers who fought for South Korea during the 1950-1953 Korean war and hoped that the royal couple's visit would serve as an opportunity to strengthen the more than century-old bilateral relations.

He also thanked them for the warm reception by Queen Elizabeth II and the British people during his visit in 1989.

Prince Charles spoke about his impression of Korea's economic and democratic progress in overcoming the ruins of war.

Prince Charles and Princess Diana, here for four days, are the first British royal family members to make an official visit to South Korea.

The couple were to visit the Gloucester Memorial, a monument to a heroic battle by British soldiers in the Korean war, in the afternoon. They will attend a presidential dinner in the evening.

Further on Meeting With No

SK0311065692 Seoul YONHAP in English 0622 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (YONHAP)—South Korean President No Tae-u and the Prince and Princess of Wales exchanged views on ways of improving bilateral ties for 30 minutes during a courtesy call Tuesday.

No extended a warm welcome to the royal couple and thanked them for the sacrifices of British soldiers in the Korean war.

He told Prince Charles that South Korea hoped for gentle change in North Korea and peaceful unification through gradual cooperation, and said that he personally expected unification this century.

The president said South Korea should fully prepare for any developments in North Korea, noting that nobody had anticipated such a rapid collapse of the Berlin Wall.

When Prince Charles asked what he would do upon retiring, No said he was too busy to think about that, but his first step would be to become an ordinary citizen and then he hoped to work for world peace.

Prince Charles said Korea's compulsory military service system was similar to conscription in Britain until just after World War II.

No responded that conscription had the weakness of limiting the freedom of young people but that it played an integral role in national development by nurturing their patriotism and an esprit de corps.

No and Prince Charles recalled the British contribution to the Korean war, and Princess Diana expressed a deep interest in the British promotion she was to open later in the day at a downtown department store in Seoul.

After meeting the president, Prince Charles discussed environmental problems with Korean members of the young business leaders forum, which he set up in 1990, for an hour at Toksu Palace and he emphasized to them the importance of recycling.

No Tae-u Hosts Banquet

SK0311110792 Seoul YONHAP in English 1040 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (YONHAP)—President No Tae-u observed Tuesday that before long Korea would cross the threshold to an advanced economy and genuine liberal democracy will come to full fruition on the country.

In a table speech at a dinner he hosted at Chongwadae for the visiting Prince and Princess of Wales of Great Britain, President No said, "We opened a new era of democracy in Korea and every sector of our society has undergone the process of democratization."

No also said the Koreans will never forget the noble sacrifices the British heroes have rendered in defense of freedom and democracy on this peninsula.

"Through the trials and tribulations, our two nations together have successfully fostered strong ties of friendship in pursuit of common ideals, and the Korean people are ever grateful to and will always cherish the support and friendship of the British people," the president said.

The Prince of Wales, in his dinner speech, said Korea now stands ready to bring its own qualities of determination, hard work and good humour to the cause of peace and prosperity.

"Mr. President, your greatest contribution to Korea's future has been the restoration of full democracy," said the prince. "I am very pleased that we are able to be here, towards the end of your term of office, as the value of that contribution is borne out by the peaceful transfer of power from one government to another."

Saying that Korea's extraordianry economic success has brought to the world stage an impressive generation of business leaders, the prince said he was proud that British companies provided knohow to assist Korea's development.

The dinner was attended by about 170 senior Korean and British officials and the members of the foreign diplomatic corps in Korea.

Environment Minister Addresses UN Assembly

SK0311033692 Seoul YONHAP in English 0107 GMT 3 Nov 92

[Text] United Nations, Nov. 2 (OANA-YONHAP)—South Korea called on developed countries Monday to promote transfer of environmental technology to developing nations and urged non-governmental organizations (NGOS) to claim a bigger role in the global environment dialogue.

It expressed full support for the creation of the Commission on Sustainable Development (CSD) to monitor the follow-up of the Rio Declaration and emphasized broad education for successful long-term social development.

Environment Minister Yi Chae-chang, addressing the 47th U.N. General Assembly, stressed the responsibility of developed countries in environmental protection.

"The effective implementation of Agenda 21 will necessarily require substantial assistance in the form of technology transfers from developed countries," said Yi, recalling the document adopted at the Rio Earth Summit in June.

"Many developing nations, including the Republic of Korea, are facing some difficulties in pursuing environmentally sound development due to the limited availability of environmentally benign technologies," he said.

International bodies like the World Bank and the International Development Association (IDA) should purchase these technologies and provide them on non-commercial terms to developing countries, Yi said.

He said that the international community must focus on summit follow-up actions by creating the CSD, which "should be provided with a strong and detailed mandate, with a membership which reflects due consideration for equitable geographical distribution."

NGOS had separate roles, he said.

"Given their often intimate relationship with the many communities which form the primary foundation for sustainable development, NGOS can contribute much to the global dialogue."

He turned to the importance of education that taps the most valuable resource of each and every country—people.

"Shifting government expenditures to education and other social services must be recognized as the soundest investment for long-term development... Education for women in particular will reap substantial benefits for society, including lower population growth rates," Yi said.

Korea was trying to reform its industrial structure to make it less energy consuming and less waste producing, the environment minister said.

It would soon ratify the conventions on biodiversity and climate change, he added.

Inter-Korean Economic Cooperation Slows Down

SK0211015192 Seoul THE KOREA TIMES in English 1 Nov 92 pp 22, 24

[By staff reporter Sa Tong-sok]

[Text] Inter-Korean economic cooperation has recently entered into a lull, hit by the unearthing of a North Korea-inspired spy ring.

Seoul, angered by what it describes as "a stab in the back," indefinitely put off a visit to North Korea by Deputy Premier-Economic Planning Minister Choe Kak-kyu and declared a temporary suspension of joint venture projects with the world's last hawkish Stalinist regime.

In this context, the project to create industrial complexes in North Korea's western port of Nampo, proposed by a South Korean business tycoon early this year, is up in the air despite South Korean businessmen's post-visit report that Nampo meets the conditions for setting up such industrial complexes.

The spy ring case has emerged as a fresh stumbling block to hamper the inter-Korean economic cooperation, following the lingering nuclear issue, a Daewoo business group official said.

South Korea's intelligence officials, who have long advocated a cautious approach in detente with North Korea, have raised their voices against hasty implementation of economic cooperation with the North, saying it could hurt long-term inter-Korean economic ties.

But few believe that economic exchanges between the two Koreas will grind to a complete stop in the aftermath of the espionage case.

"That's because stepped-up economic links will serve the interests of both sides," an official at the Economic Planning Board said.

He says inter-Korean economic cooperation will begin taking concrete shape in one form or another in November when the two Koreas meet to discuss economic issues at the Joint Economic Committee established under the framework of the landmark accord on reconciliation, nonaggression and exchanges and cooperation signed last December.

Another government official who visited North Korea as a member of the Nampo fact-finding mission in October shares the same view with the official, saying economic cooperation with the North will serve as a stepping stone toward peaceful unification.

He says state of North Korea's industrial development is similar to that of South Korea's in the early 1970s.

In fact, economic problems reportedly are keeping the isolated Stalinist regime off balance. With a population of more than 22 million, the North had a gross national product of about 22.9 billion dollars in 1991, one tenth the size of South Korea's, according to Bank of Korea figures.

North Korea's economy contracted 5.2 percent last year following a 3.7 percent drop in 1990 and the severe recession is continuing. Food is in short supply and rations have been tightened.

North Korean defectors report that Pyongyang is pushing a "Two Meals a Day" campaign and occasionally food riots have broken out.

Moreover, reduced oil supplies from the former Soviet Union have resulted in power shortages that have restricted North Korean factories to operating at less than half of capacity.

With foreign debts of over 9.2 billion dollars or 40 percent of its annual GNP, the country is finding it difficult to borrow overseas.

North Koreans' per capita GNP was computed at 1,038 dollars last year but the figure fails to reflect the people's genuine welfare because of its heavy spending on defense.

"We believe their real per capita GNP is less than 200 dollars," Kang Hui-pok, director general of the international coordination office at the EPB, said.

Economists encourage South Korea to contribute to gradually improving the North Korean economic situation to brace for integration of the two economies.

"Seoul will be able to reduce the real costs and impact of unification when the time comes for South Korea to assume overall economic responsibility for North Korea," they point out.

But some critics are warning that Seoul's bolstering the North's economy may serve to reinforce the position of the Pyongyang hierarchy in political terms and postpone the collapse of the government in the North.

This kind of contradiction may be one of the reasons limiting the rapid improvement in inter-Korean economic cooperation, in addition to the nuclear issue, they contend.

From a purely economic standpoint, the two Koreas have a lot to gain from strengthened economic links.

For example, labor-intensive industries which are being rendered uneconomic as the result of soaring labor costs and changes in technology in South Korea would be able to relocate in North Korea if labor cost advantages and other industrial conditions guarantee their viability.

North Korea has a low-wage, diligent work force while South Korea boasts of a modernized industrial capability along with its capital.

"A marriage of the North's work force and the South's industrial capability and capital may provide the South with the chance to achieve another economic juggernaut," Southern businessmen say.

They hope that economic necessity may eventually force North Korea to rely on the South as its main economic partner.

Analysts suggest that South Korea should help the North tide over its current economic plight while gradually developing a mutually beneficial economic relationship through economic interdependence.

"That will be a short-cut to unification," they claim.

Agreement on Inspections Could Halt Team Spirit

SK0311080192 Seoul YONHAP in English 0750 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (OANA-YONHAP)—South Korea could cancel next year's "Team Spirit" military exercise if Seoul and Pyongyang held their first mutual inspection by Dec. 21, Kong No-myong, spokesman for the inter-Korean prime minister's talks, said Tuesday.

Commenting on a statement Monday by the North Korean Foreign Ministry accusing Seoul and Washington of breaking a promise to cancel Team Spirit, Kong noted that the cancellation in 1992 was not a permanent suspension.

"The government's position is that we can consider canceling next year's Team Spirit if South and North Korea successfully agree on inspection regimes and finish the first mutual inspection by Dec. 21, when the ninth prime ministers' meeting is to open in Seoul," Kong told reporters.

The North was also taking exception to the Hwarang and Foal Eagle exercises as part of its obstructionism, but they were local maneuvers and North Korea had never objected to them before, the spokesman pointed out.

"We have invited North Korean military officials to observe Team Spirit from 1985 to show Pyongyang that the exercise is a defensive maneuver that takes place only on South Korean soil," Kong told reporters.

"We cannot but question why North Korea chooses to take up these issues now. It is apparently to postpone inter-Korean nuclear inspection as long as possible," Kong said.

North Statement on Joint Committees Reported

SK0311123492 Seoul YONHAP in English 1201 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (YONHAP)—North Korea said Tuesday they would not attend the first meetings of the four South-North joint commissions on the ground of the "Hwarang" and "Eagle 92" military training exercises taking place in the South.

According to the Naewoe press specializing in North Korean affairs, the North, in a "joint statement" issued by the northern chairmen of the four joint commissions, asserted, "As the South forced through the military trainings as planned, the first meetings of the joint commissions to discuss the implementation of the basic North-South agreement have become meaningless."

The statement said that "under the circumstances, we hereby declare that we have become unable to attend the first meetings of the North-South joint commissions." The statement was broadcast by North Korean radios.

The two sides earlier agreed to hold the first meetings of the South-North joint reconciliation, military, economy, and social- culture commissions at a week's intervals in November at Panmunjom.

Saying that it is totally up to the attitude of South Korean authorities when the first commission meetings could be held, the statement said that "South Korean authorities should take responsible steps" so that the meetings could be held in December at the latest.

In addition to their demand for immediate suspension of the "Hwarang" and "Eagle" exercises, North Korea argued that South Korea "should withdraw the decision to resume the Team Spirit military exercise by the end of November in whatever form and announce it at home and abroad."

North Rejects Talks on Military Hotline

SK0311090792 Seoul YONHAP in English 0856 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (OANA-YONHAP)—North Korea rejected Tuesday a South Korean proposal for a working-level contact Wednesday to discuss installation of a military hotline.

Chances of the two Koreas getting the first ever direct lines between their top military authorities by Nov. 6 as specified by a supplementary agreement on nonaggression are thus slimmer.

A telephone message from Choe Pong-chun, North Korean chief of the South-North Liaison Office at Panmunjom, accused the South of creating "another artificial obstacle" by staging military drill such as "Foal Eagle" and "Hwarang" instead of responding favorably to the North's call for a halt to the Team Spirit exercise.

"We express deep regret to your side for our inability to attend the working-level contact, but we hope your side takes measures to stop military exercises so that the contact can be realized at an early date," Choe said.

The two sides met on Oct. 28 for their first working-level talks at Panmunjom on installing and operating direct lines between their military authorities.

In the meeting, North Korean officials said that a hotline was meaningless when South Korea insisted on resuming Team Spirit.

North Rejects Resumption of Red Cross Talks

SK0311093192 Seoul YONHAP in English 0912 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (YONHAP)—The North Korean Red Cross Tuesday rejected the South's proposal to hold the 11th South-North Red Cross meeting in Pyongyang some time this month.

The rejection was made in a telephone message addressed to the South Korean National Red Cross (KNRC) in response to the KNRC's Oct. 29 message to the North calling for the resumption of the stalled Red Cross talks.

KNRC President Kang Yong-hun suggested in his message last month to hold the 11th Red Cross meeting in Pyongyang during this month, noting that the South-North government authorities resolved in the auxiliary agreement on reconciliation to positively cooperate in the early resumption of the Red Cross talks.

In Tuesday's message, acting North Korean Red Cross chairman Yi Song-ho said the issue of resuming the Red Cross talks should be discussed at a relevant South-North joint commission inasmuch as, he said, humanitarian issues were covered at the auxiliary agreement on exchanges and cooperation.

"In particular, your demand for the resumption of the Red Cross talks can hardly be realized under the current severe circumstances fomented by your side," Yi said.

The North Korean Red Cross official also asserted that if the South Korean Red Cross were genuinely interested in talks, it should strive to have the South Korean authorities suspend the "anti-dialogue, anti-unification and anti-humanitarian 'Hwarang' and 'Eagle' military exercises and cancel the decision to resume the Team Spirit military maneuver directed against the same people."

Monthly Analyzes North Nuclear Capability

SK3110065592 Seoul WOLGAN CHOSON in Korean Aug 92 pp 254-71

[Article by Yu Yong-won: "Top Secret Intelligence—The Three Riddles of North Korea's Nuclear Facilities"]

[Text]**Reprocessing Research at Unreported Facilities**

When Director General Hans Blix of the International Atomic Energy Agency [IAEA] and his entourage visited Yongbyon, North Korea between 11 and 16 May 1992, the entire world was concerned with the operational test reactor (which has an electric output of 5MW) and the large-scale reprocessing facility there.

Reporters even concentrated their questions directed at Director General Blix on these two facilities at a press conference with foreign and domestic news services held on 16 May 1992, in China following his DPRK visit. However, according to one source familiar with the IAEA, the subject of these two facilities was not raised at the press conference that day, nor was it discussed afterwards at the IAEA directors' meeting which opened in June 1992. However, there was another facility which made Hans Blix's entourage nervous during their visit to North Korea.

The facility in question is an "Isotope Processing Laboratory" about which North Korean had not informed the IAEA. Since this facility was not among the 14 facilities listed in the report which North Korea had submitted to the IAEA, it seems as though North Korea was hesitant in making its existence public. Due to Hans Blix's demand, however, the inspection team was permitted to visit the facility for about 50 minutes in the late afternoon of 12 May 1992.

There were a total of seven "hot cells" at this facility, which North Korea explained as having been built for the purpose of developing isotopes for medical purposes. Because radioactive materials, such as spent fuel, emit high levels of radiation and are extremely hazardous to humans, facilities such as hot cells are required for reprocessing research. A hot cell is an isolated room of concrete that has windows of lead to restrict radioactivity and is used as a facility for chemical separation or experimentation using remote control robot arms (manipulators).

The size of this particular hot cell is said to be 2.4 meters [m] wide, 1.5 m deep, and 3 m tall in size, and the walls are 50 cm thick. This hot cell is much larger than the hot cell at the Korean Atomic Energy Research Center [KAERI] postradiation experiment facility. The North Korean side explained that they had started uranium and plutonium chemistry basic research at this facility in 1975 and confirmed that although they had several milligram units of plutonium through reprocessing research, they had not separated the plutonium.

On 13 May 1992, the day after he visited this facility, Director General Blix demanded to the North Korean side that this "Isotope Processing Laboratory" be included in the facilities listed under the safeguards accord (the agreement which stipulates full nuclear inspections). To which the North Korean side replied that the facility was used for medical purposes and that it was introduced from the former Soviet Union under conditions that it only be used for medical purposes.

As it is directly linked with suspicions of a nuclear core, the facility's existence is significant. Like the recycling of garbage, reprocessing is the extraction of reusable uranium and plutonium burnt and leftover from an atomic reactor's spent fuel. Because a nuclear weapon can be manufactured with high quality, pure plutonium (in excess of 99 percent) that can be extracted from reprocessing, countries which have nuclear development aspirations desire such technology.

In addition, the revelations resulting from the IAEA entourage's DPRK visits have made the South Korean atomic energy specialists nervous as they feel that North Korean nuclear development attempts have made more progress in diverse fields than was predicted.

The Yongbyon Atomic Reactor Has Been Operational Since 1986

The results of the IAEA's DPRK visit indicate that the North was ahead of its scheduled atomic reactor operation date and reprocessing facilities experimentation date. The Yongbyon experimental reactor, whose 5 megawatt [MW] output has attracted South Korea's interest, was presumed to have been operational since 1987, but in fact, it was revealed to have been operational since January 1986, more than a year earlier than expected. As a result, a need to recalculate the estimated amounts of spent fuel and plutonium emerged. This atomic reactor has attracted everyone's attention because it is the sole operational atomic reactor which can produce as much plutonium containing spent fuel as the North desires.

Many specialists differ in their opinion on the operational time of North Korea's reprocessing facilities, but they agree that as "hot test" procedures are essential to a facility becoming fully operational, a certain amount of time will be very necessary.

Before a reprocessing facility is put into operation, hot tests are used to confirm whether the connections operate properly when actual spent fuel is placed into pipes. North Korea admits to performing hot tests in some facilities at the height of construction for the reprocessing facility in 1990. Furthermore, by admitting in this unprecedented "declaration of conscience" to having produced gram units of plutonium through hot tests, North Korea acknowledges its possession of nuclear technology and admits to reprocessing. The fuel produced by this hot test was "the destroyed nuclear fuel rods" which came from the atomic reactor which is used for research at Yongbyon.

Hans Blix's entourage settled, to some extent, the level of concern experts have over the power output of the operational Yongbyon experimental atomic reactor. The South Korean side's initial estimate was that the thermal output of the reactor was 30MW, but the North Korean side's explanation was that the thermal output is 30MW and the electrical output is 5MW. The thermal output estimation was correct, but the experts point out that the electrical output just does not make sense.

There is both thermal output and electrical output in the power output of an atomic reactor power plant. Normally, the electrical output level is one-third of the thermal output. A power plant's turbines are moved by the steam produced from the heat. Because the heat is dissipated in different directions, the amount of electricity produced does not equal the total amount of heat, but rather the electrical output is lower than the thermal output.

If North Korea's explanation is true, the electrical output of the Yongbyon experimental atomic reactor is only one-sixth of its thermal output. The experts point out that if the North Koreans have not intentionally reduced the plant's capacity, then this is a good example, which proves the inefficiency of North Korea's atomic facilities.

Hans Blix was not responsibile for the feelings of surprise and frustration of the South Korean atomic experts. The KAERI experts who saw the video tape of the Hans Blix entourage's visit to the North made public by the IAEA in June 1992 noted that generally, there were many old-fashioned things like the analog system on the atomic reactor control system, which appeared in the tape often. This fact is being pointed out be the IAEA.

Spent Fuel Which Is the Key

The actions of the Hans Blix entourage—which had taken on a "skirmish" nature, rather than that of a full-blown inspection—confirmed the intentions of North Korea's nuclear development through things like proving that the 180-m-long building in question is really a reprocessing facility. However, along with the open questions from the past, they also brought up some new subjects.

Three large questions remain after the two IAEA inspections (the first inspection was for two weeks beginning on 25 May 1992, the second inspection was also for two weeks beginning 7 July 1992). These three questions are: How much spent fuel has been produced from the 5MW atomic reactor? How much plutonium has been secured? And is there a reprocessing facility pilot plant hidden somewhere in North Korea? Of the three questions, the first and second are closely related.

Spent fuel, as the core essence of plutonium, holds the key to dissolving the suspicion of North Korea's nuclear development. If spent fuel has not been coming from the atomic reactor in question, and if North Korea has not been smuggling in plutonium, they cannot possess plutonium. If this is the case, the danger of their production of nuclear weapons has disappeared.

North Korea says that as the 5MW atomic reactor has not been fully operational, the nuclear fuel that was placed in the reactor in 1986 has yet to be replaced and that they plan on replacing the nuclear fuel pile in 1994 for the first time. North Korea was unable to get the atomic reactor operational because it made it independently without any foreign assistance, and many technical problems, such as an irreparable turbine system have occurred.

On the other hand, although they differ on the actual amount, many South Korean experts suspect that a fair amount of spent fuel has come from the atomic reactor. Yi Tong-pok, the South Korean representative to the North-South prime ministerial talks, indicated, "It has been predicted that if the Yongbyon experimental reactor was in full operation for the past five years, North Korea would now possess about 130-180 tons of nuclear waste material."

Representative Yi's announcement sparked public criticism and became the feature story in some daily newspapers, as though it were confirmed intelligence and not the estimate of experts that it was. Representative Yi reasserted the real intention of the announcement to reporters recently.

He said: "The recent talk was the estimation of experts, not confirmed intelligence. Experts calculated that 130-180 tons of spent fuel would be produced if 45-65 tons of nuclear fuel were placed in the 5MWe graphite-modulated, gas-cooled reactor as half of the nuclear fuel piles would require replacement every six months after the first two years. Furthermore, reprocessing this amount of fuel would produce about 13-17 kg of plutonium. If this 'estimation' is to be accurate, then the amount of spent fuel must first be determined, and even then it must undergo reprocessing. The press reports, however, overlook two steps of the reprocessing process to make North Korea's possession of that amount of plutonium sound like a confirmed fact."

Although the amount of spent fuel is greatly influenced by the number of days the atomic reactor is operational, Representative Yi simply revealed that the calculations were made based on the assumption that the atomic reactor was operated on a "normal operation level." He neglected to say whether this was based on a 365-days-a-year, day-in-day-out operational schedule, or an entirely average operational ratio (80 percent of the year or 290 days).

Because the basis of the estimated operational level is unclear in Representative Yi's announcement, it is difficult for the experts to make any comment. Yet they do point out that his estimate might be a bit high. One atomic energy expert postulates, "There are many occasions when an atomic reactor cannot be operational," and wonders if "Representative Yi's announcement is not the highest estimation among the various ones given by experts."

The IAEA is currently conducting a detailed analysis of the North Korean spent fuel issue. During the first inspection, which started on 25 May 1992, the IAEA received the operational logs of the 5MW atomic reactor from the North Koreans and are analyzing them. From their review of these logs, the IAEA will be able to determine the quantity of spent fuel manufactured from when North Korea exchanged the nuclear fuel piles.

Suspicions Surrounding the Atomic Reactor's Operational Logs

However, relieving all the anxiety caused by these operational logs remains difficult. A highly placed South Korean Government official recounted an episode which occurred when the IAEA received the operational logs from North Korea.

The official said that the operational logs the IAEA inspection team originally received from the North Koreans were not in English, but in North Korean. Since there were no Koreans on the IAEA inspection team, the inspection team requested that the North Koreans translate the logs, and the North Korean who had previous experience working with the IAEA inspection team was said to have translated it hurriedly into English.

Because it is a record written by a "partner in crime" and not by an objective third party, one may question the reliability of the translation.

Some people even point out that the record itself may be a fabrication. Yi Chang-kon, a KAERI researcher, said, "In business, ledgers can be fabricated by making a 'double set of books.' Operational logs, too, can be fabricated." He also warned that we should not blindly assume that the operational logs the North Koreans submitted to the IAEA are reliable.

It is not as though we lack the means to confirm the authenticity of the operational logs. Experts contend that they can tell whether the nuclear fuel rods were replaced if they enter the atomic reactor in question. However, the interior of this atomic reactor was not made entirely open to the public during the first IAEA inspection. Neither the Hans Blix entourage, nor the experts started inspections in North Korea on 25 May 1992 were able to enter the atomic reactor.

Therefore, only after the analytical results of the IAEA are published will the truth of the spent fuel problem be known. However, Western experts believe that the suspicions will not disappear until they enter the 5MW atomic reactor and confirm that there is no evidence that fuel rods have been replaced.

Plutonium, which has become one of the most frequently used terms in recent discussions, is the "nucleus" of the North Korean nuclear development question. The amount and quantity of plutonium extracted from spent fuel is difficult to uniformly say, as it is affected by such factors as the size of the atomic reactor, the operational method, and combustion time. Plutonium 239, which is extracted from spent fuel, is needed for reprocessing and is the raw material of nuclear weapons.

The Theory of More Than Eight Kg of Plutonium Being Extracted

The operational 5MW atomic reactor is an old fashioned reactor which, because it was not economical or reliable, ceased to be used after being developed in such places as Great Britain and France in the 1950's. It is known, however, to be suitable in the production of plutonium. This atomic reactor even in its suitability in plutonium production is a vital point which increases the South Korean experts' suspicions.

One cannot unconditionally operate an atomic reactor, extract spent fuel, and then have a plutonium reactor capable of making nuclear weapons come from that fuel. The degree of enrichment of weapons-grade plutonium must exceed 99 percent purity, and if this degree of enrichment is to be obtained, as one must devote careful attention to the size of the fire when making charcoal from trees, one must be particularly careful when making an atomic reactor operational.

When burning nuclear fuel in an atomic reactor, one cannot make the fire too large or too small, and one cannot let the fire burn too long. If the fire burns too long, all that will remain of the charcoal will probably be ashes. Experts report that in order to obtain weapons-grade plutonium at the Yongbyon atomic reactor, the nuclear fuel piles must be exchanged once every six months at a minimum. Another vital point is the presumption that an adequate amount of spent fuel has already been produced if the atomic reactor in question has begun normal operation.

The nuclear fuel piles are normally exchanged once a year; in the original case of the domestic light-water reactor that burns too much nuclear fuel, because the plutonium burned too much, and because the degree of enrichment is too low, it is not suitable for weapons use even if the plutonium is refined.

There are many estimates about how much plutonium North Korea possesses. There are many people that believe that North Korea has secured at least eight kg of plutonium, the amount necessary to build one bomb that had the yield (20 KT [kilotons]) of the atomic bomb that fell on Nagasaki.

The estimation of a scholar from a South Korean university who was in charge of the reprocessing enterprise during the mid-1970s when nuclear development was pursued by President Pak Chong-hui is believed to be more persuasive than other experts' estimates from the aspect that he possessed an abundant amount of "real" experience.

Even while saying that "it is difficult to give an accurate estimation because data concerning the degree of combustion has not come out yet," he said, "I believe that if we take for granted that the atomic reactor in question has been 80 percent operational for six years, a minimum of eight kg of plutonium could have been extracted from the spent fuel which came out of the reactor."

He also emphatically stated, "One should not believe even a single word of what North Korea says about their position—that the nuclear fuel rods have not been exchanged even one time during the past five years, and that it will not be until 1994 that the nuclear fuel will be changed for the first time."

The problem is even more serious from the aspect that even if the North Koreans already possess more than 10 kg of plutonium, its size is only as big as an adult's fist, and realistically it will be impossible to find where it is hidden.

"Clearly There Is a Pilot Plant"

The issue of reprocessing is also an indispensable measuring device of understanding the level of North Korean nuclear development. Because it has already been confirmed that North Korea possesses reprocessing technology, concern is now concentrated on the size and number of the reprocessing facilities.

Since its size is so enormous the Yongbyon "radiochemical laboratory (a large-scale reprocessing facility)," which has garnered the most concern has surprised many people. This 180-m-long facility, on which construction started in 1985 and is scheduled for completion in 1996, is known to have an official construction progression rate of 80 percent for the interior and 40 percent for the exterior sections.

After confirming that this is a reprocessing facility, opinions differ as to whether this is a commercial-use facility or whether it is used for the whole gamut of nuclear development. People who believe that the facility will be used as a commercial facility base their conclusion on the fact that the "radiochemical laboratory's" length of 180 m is similar to or even longer than the length of Western reprocessing facilities.

On the other hand, it is dangerous to stipulate the nature of the North Korean reprocessing facility based on its length alone. A reprocessing expert from the KAERI stated the following:

"More important than the facility's length and height are the equipment sizes inside the facility. This is because although the exterior of the facility was built on a large scale, the interior could be empty. Because the North does not have confidence in its safety, it is even possible that they built it larger than necessary based on Western standards. I provisionally judge the nature of this facility to be some half-point between a commercial factory and a pilot plant that is a first stage test facility."

Although opinions differ as to the nature of this reprocessing facility, there are virtually no dissenting opinions concerning speculation of the existence, somewhere, of a pilot plant smaller than this facility. Ordinarily, for a reprocessing facility to be realized, the steps run from laboratory to pilot plant to commercial factory, but because there is only the laboratory and (presumably) the commercial factory in North Korea, the pilot plant stage was probably omitted.

Skipping to the commercial factory from the laboratory stage and omitting the pilot plant is the same as a baby trying to run after just learning how to walk. It is the same as taking a modern weapon developed in a research center straight to the battlefield without even trying to test it. Of course it is possible when it is urgent, but it is not known just how powerful this modern weapon will be on the battlefield.

Because North Korea reportedly does not have the time or capital, it is a question of whether North Korea is willing to break away from the norm and go on to directly build a large-scale reprocessing facility. Are they willing to endure the dangers of using a modern weapon without testing it? The existence of a pilot plant is more necessary to North Korea, who has no confidence in its safety in independent development. The person responsible for nuclear development during the President Pak Chong-hui regime said, "There is a tendency for each step to grow tenfold in size concerning reprocessing facilities." "There is more of a likelihood that there is a small pilot plant somewhere than a large-scale reprocessing facility." An atomic reactor nuclear scientist declared, "There is no doubt that somewhere in North Korea, there is a 18-m-long pilot plant that is about one-tenth the size of the large-scale reprocessing facility.

According to North Korea's contention, they started constructing a "radiochemical laboratory" in 1985, after solving the nuclear fuel rod problem while conducting reprocessing research in a "radiochemical research center's isotope processing reactor reprocessing facility." There was a difference of 10 years between the construction and start of laboratory research of this large-scale reprocessing facility. This is because the start of reprocessing research at this "isotope processing reactor reprocessing facility" commenced in 1975.

The fact that they conducted reprocessing research a long time before even a atomic reactor was operational, and that they constructed a large-scale reprocessing facility even before spent fuel was being extracted is a vital factor that confirms that North Korea's intention was to hurry its nuclear development by rushing reprocessing technology.

In addition, there are many people who point out that the differences in time and size between the reprocessing laboratory and the large-scale reprocessing facility suggest the existence of a pilot plant. The reprocessing pilot plant problem has become a continuing, undying source of suspicion of North Korean nuclear development.

There Is No Refining Facility

Another question concerning the "radiochemical laboratory" is whether North Korea has taken and hidden the interior of the facility in another place. In March 1992, THE WASHINGTON POST, quoting a U.S. Government source, reported that a U.S. intelligence satellite captured images of North Koreans dismantling equipment from the interior of the Yongbyon reprocessing facility and loading it into large-sized trailers.

Afterwards, the indications of experts who said they did not know if part of the reprocessing facility's equipment had been taken and hidden, have been occasionally raised. Hans Blix, who had briefly looked inside this facility, indicated during a 16 May 1992 news conference in Beijing, "We did not see indications of anything having been removed from that facility." This is a task for the IAEA inspection team to investigate since it is something the experts could determine if they saw it.

A high-ranking official within the South Korean Government who saw the U.S. intelligence satellite pictures which were reported in THE WASHINGTON POST said, "Trailers were lined up in front of the reprocessing facility and cargo was being unloaded from them. It is not certain if it was the dismantling of an existing facility, or if it was new equipment being placed into the facility."

Enrichment, like reprocessing, is another "path" for making nuclear weapons. As the high-enrichment of uranium 235, the material for nuclear fission, is more than 95 percent pure, it is a method which makes a nuclear explosion possible. Compared with this, natural uranium's degree of enrichment is 0.7 percent and a pressurized light-water reactor power plant's uranium degree of enrichment is no more than 3 to 4 percent.

Even if North Korea has not attempted secret enrichment, as Iraq has, it is a problem which has drawn concern, but presently people are skeptical. The only facilities known to be related to enrichment up to now are the "refinement" facilities in Pyongsan and Pakchon. Refinement is a technology whose level is much lower than uranium enrichment technology in nuclear weapons production and is a process of removing uranium from a natural uranium mine which will be used for spent fuel. South Korea also has the technology for refinement.

This is also a topic about which there has been greatest amount of erroneous reporting in the South Korean press. Since there are different levels of refinement and enrichment, there have been many cases where a refinement facility has been believed to be a enrichment facility, and the false reporting has continued.

The Problem of the Development of Triggering Devices

North Korea could attempt enrichment in secret underground facilities, but the methods they can choose from are extremely limited. In uranium enrichment there are various methods such as the gaseous diffusion method, the centrifugal separation method, and the laser enrichment method. The gaseous diffusion method, which is basic technology, requires an enormous facility and a tremendous amount of electricity. The laser enrichment method will be difficult for North Korea to develop independently since it is a technology which is in its final developmental stages in even nuclear advanced nations.

The centrifugal separation method will be North Korea's only choice. Not only does this method, like the gaseous diffusion method, use vast amounts of electricity, but cooperation from foreign businesses and experts, like in Iraq, is inevitable because there are many parts that would be difficult for North Korea to develop independently. However, there has been no intelligence until now about North Korea's importing equipment related to enrichment.

A highly-ranked official in the South Korean Government disclosed: "It has been determined that between enrichment and reprocessing, North Korea has chosen reprocessing", and "even the United States is not expressing any special doubt about enrichment." As there is only a single instance of a high-ranking interested North Korean party who has admitted "we are researching nuclear fuel cycle technology (the nuclear fuel rotation cycle which includes enrichment and reprocessing)," it seems that the South will have to see if the North is engaged in enrichment research.

If we say that producing plutonium by reprocessing spent fuel is the first step in nuclear development, we can say that the development of a triggering device and a special detonator is the second step which completes nuclear development. A triggering device ignites a nuclear bomb by accurately matching the timing of the nuclear explosion, which occurs in one-millionth of a second; and a special detonator assists the nuclear explosion when it ignites while protecting the nuclear materials.

Because a triggering device must operate in less than one-millionth of a second, an accurate control system is necessary. We know that in making this, a high-speed camera is needed that can take a picture in one-millionth of a second, and as it is virtually impossible for North Korea to independently develop such a high-speed camera, they will have to import it. However, there has been no information that North Korea has done so.

All that exists is one report in early 1992 by the Soviet press quoting a KGB document that reported that North Korea had already manufactured two nuclear triggering devices. The individual responsible for nuclear development during President Pak's regime said: "Even without a high-speed camera, a triggering device can be manufactured."

An internal detonation test is used to test a triggering device. This test matches the timing of a nuclear explosion cycle. U.S. intelligence satellites have photographed pits in the sand, which are evidence of internal detonation testing, encircling the Yongbyon atomic power facility and in the sand banks of the Kuryong River. Pits in the sand have been sighted 70 times between the mid-1980's and 1990.

Some believe that a triggering device may have been completed already, citing the fact that there has been no evidence of any testing since 1991, and that it normally takes 50 tests to complete internal detonation testing. However, there are many who say that these holes are probably not internal detonation testing pits. The individual responsible for nuclear development during President Pak's regime indicated: "Although internal detonation testing can be conducted in locations not open to the public, it is outside of expectations." Even Doctor Yi Chang-kon expressed his doubts by saying; "It is beneath common sense to say they are conducting internal detonation testing in front of an atomic power research center that must conduct comprehensive experiments."

As even a special detonator is difficult for North Korea to manufacture, there is said to be no concrete intelligence yet concerning any. Anyhow, as North Korea is pursuing investments with foreign corporations concerning large triggering devices and special detonators which need to be imported from nuclear advanced nations, there are not a few who say they can tell the degree of progress made by the North.

"North Korean Nuclear Development Has Been Halted"

The most basic question is: "Has North Korea, as expected, completed the manufacturing of a nuclear weapon?" Everyone is focused on this critical topic. Now that is has been confirmed that North Korea has attempted nuclear development, there are contradictory assessments as to whether the attempts have been successful.

Selig Harrison, who visited the North in April 1992 as the head researcher of the U.S. Carnegie Foundation, is one of the optimists who say that North Korean nuclear development has not advanced very far. At a policy discussion symposium entitled "North Korea's Nuclear Problem—How Should The United States And Korea Respond?" held on 3 July 1992 at the Seoul Hilton Hotel, Harrison stated: "It is a fact that North Korea has attempted nuclear development, but they have given it up and have postponed further attempts." The following is a summary of his assertions.

"As the results of the evaluation of the IAEA's inspection of North Korea will not be completed until October 1992, it is too early to draw conclusions about the degree of advancement of the North Korean nuclear development program. According to the IAEA, the Yongbyon reprocessing facility is extremely primitive and construction was halted when the facility was only 40 percent complete. Thus, it has absolutely no influence on plutonium production.

"At the North Korean Workers Party Central Committee in December 1991, it was decided to suspend nuclear weapons development. Therefore, it is true that North Korea has attempted nuclear development, but I believe they have either halted or postponed further attempts at development."

"At the North Korean Workers Party Central Committee in December 1992, it was decided to suspend nuclear weapons development" was the critical part of his speech that attracted the most concern among attendees. As soon as the attendees started focusing their questions on this, he said, "I received these 'hints' from two North Korean officials who were familiar with the topic," and avoided further reference to the subject.

Additionally, he provided a basis for optimism by noting: "A prominent U.S. scholar who met with three Russian nuclear scientists who had been consulted about North Korean nuclear development, told me that, 'North Korea's nuclear capability has not advanced not advanced much.'"

Nuclear Development Has Been Completed

On the other hand, there are quite a few pessimists who say that North Korea has already completed nuclear development. In a telephone conversation with a reporter, Professor Yi Ki-taek of Yonsei University said, "I think North Korea has completed its nuclear development."

"There are several reasons why I come to that conclusion. First, since the end of the 1950s, North Korea has persistently endeavored to secure nuclear technology. Moreover, when he recently met with a certain notable, female U.S. reporter, Kim Il-song is said to have said 'North Korea is at a rudimentary and primitive stage, but we already possess four nuclear devices.'

"From a human intelligence (HUMINT) aspect, there is talk in Great Britain that Kim Chong-il is presiding over North Korea's nuclear policy. When various conditions and intelligence on North Korea is taken into consideration, it seems likely that North Korea agreed to IAEA inspections because they already possess nuclear technology and materials."

There are those who say that no longer is the question of whether North Korea has completed nuclear development important. Kim Tae-u, head researcher at the Korea Institute for Defense Analysis, claims that, "North Korea is already promoting a 'North Korean version of a Neither Confirm Nor Deny (NCND) policy.'" This is to say that in neither confirming nor denying the threat of nuclear arms, North Korea has begun pulling on the reins of the nuclear issue on the Korean peninsula.

"There are several reasons that North Korea has actually started its NCND policy. First, by showing the interior of the Yongbyon facilities, including the hot cell, on an official television broadcast in April 1992, North Korea alarmed Korean and Japanese experts. Furthermore, the North admitted their production of small quantities of plutonium to the Hans Blix entourage during their visit to North Korea.

"It is presumed that North Korea did not intentionally try to get U.S. intelligence satellites to take pictures of the evidence of internal detonation experiments on the banks of the Kuryong River. If these examples become public facts, the results will be unprofitable to North Korea. This is because it will only heighten suspicions of the North conducting nuclear development. If that is so, I feel that rather than being genuinely motivated by a need to make all of this public, North Korea is publicizing this, more importantly, to suggest that they are a viable nuclear threat with the completion of nuclear development."

It is difficult at this point in time to determine which theory is closest to "reality." Due to the characteristics of the nuclear problem, it it difficult to determine whether North Korea really intended to secretly develop nuclear capability, and the question may remain unanswered forever.

Unfortunately, North Korea's intent in nuclear development, a basic assumption from the pessimist's point of view, is being confirmed as fact. All the various examples mentioned above supports this well. One elder nuclear power expert declared that "there is no doubt that North Korea has attempted nuclear weapons development."

"Contrary to international convention, North Korea signed the Nuclear Safeguards Agreement six years after joining the Nuclear Nonproliferation Treaty in 1985. They also chose to develop a graphite-modulated, gas-cooled atomic reactor which both Great Britain and

France had abandoned earlier on because it was unreliable and uneconomical. Additionally, in the mid-1970s, North Korea sent atomic reactor construction and operations experts to the IAEA for training.

"In addition to the lack of a 180-m-long reprocessing facility, the lack of a pilot plant is strange. Why is it that output capacity of atomic reactors in North Korea has increased incrementally, while reprocessing facilities have not?

"Their mention of the high-speed breeder reactor and mixed nuclear fuel does not make any sense either. Even nations with advanced nuclear technology have not developed high-speed breeder reactors for commercial use because it is uneconomical, and as the world's supply of uranium is in a surplus, it looks as though economic feasibility is expected to drop even further. We can only explain North Korea's talk of the high-speed breeder reactor while in a toddler phase in atomic reactor technology, as being founded in its need to forcibly justify their extraction of plutonium.

"They claim they are conducting compound nuclear fuel research for placement in light-water reactors, but there are no light-water reactors under construction in North Korea. In considering these facts, it is clear that the starting point of North Korea's nuclear power is not for peaceful purposes, but rather for use in nuclear weapons development."

The Steps of the IAEA Inspections

While sympathizing with his points, many atomic power experts have been surprised that North Korea's nuclear development attempts, cover several fields, more so than expected. It is difficult to say positively that North Korea's level of atomic power technology is higher than the South's. However, they have officially acknowledged that they are conducting research in sensitive technology, such as enrichment and reprocessing, and it has been confirmed they possess reprocessing technology. Thus, it seems that we must believe they have conducted more diverse research than the South, which has been shackled when it comes to sensitive technology.

Other than those who pursue nuclear development on North Korea's behalf, no one yet knows to what extent North Korea's attempts have been fruitful. The results of the two IAEA inspections have stripped off one of the veils covering those facts. The problem is that virtually no one expects that the IAEA inspections will reveal the facts about North Korea's nuclear development.

Iraq is a good example of the limitations of IAEA inspections. Because Iraq faithfully received the inspections as a model nation of the nuclear inspections, the IAEA assessed Iraq as having no dangerous nuclear weapons development. However, it was confirmed after the Gulf war that Iraq's nuclear development was far more advanced than the experts had predicted.

It has been confirmed that nuclear development centers around enrichment. The inspection team said in many instances they found important secret facilities because of information provided by participants in Iraq's nuclear development or because of the inspection team's opportunism, rather than from information furnished by intelligence satellites. It is a critical issue that makes us aware of the many limitations of the inspections which are dependent on only hardware intelligence, such as satellites, without Humint, as in North Korea's case.

As a "special inspection," the IAEA's inspection of Iraq was different from a "general inspection", which covers only the facilities reported by the nation being inspected. There are some who note that the difficulties the IAEA experienced during the inspections in Iraq hint that there are limitations to even special inspections, the most effective tool at the IAEA's disposal.

The two IAEA inspections conducted in North Korea were general inspections. There are many more underground facilities in North Korea than in Iraq and because the IAEA has not inspected these underground facilities until now, it is appropriate that North Korea draws much more suspicion than Iraq. On the other hand, Iraq received much support from foreign businesses and experts. However, as North Korea has generally conducted development independently, there is a possibility that they are less advanced than Iraq.

The North-South mutual inspections present a realistic resolution which can overcome the limitations of the IAEA inspections. Because the South is uncomfortable about the North's nuclear development, and the North feels uncomfortable about whether the United States Forces in Korea (USFK) possess nuclear weapons, the mutual inspections will remove these mutually uncomfortable feelings because each can go to the suspicious locations and personally check.

However, there is almost no probability that this one and only resolution policy will succeed due to the differences in North and South opinions. South Korea's stance is that they cannot back down from their demand for special inspections which will allow them to include North Korean military installations in subject inspections and will allow them to go unexpectedly to suspicious facilities. Special Advisor to the Foreign Minister Pan Ki-mun, who is in charge of the North Korean nuclear question, stressed: "There are rumors that South Korea will give in on the inclusion of a provision on military installations, but because inspections of military facilities and unannounced inspections are included in the North-South mutual inspections, just like a tiger's teeth are important to it, the South cannot ever yield on this point."

Rumors of a Large Atomic Power Complex in Pyongsong

Even though it is said that the North-South mutual inspections will be conducted according to the difficult conditions the South Korean side demands, there are predictions that the North Korean nuclear threat will not diminish. Various suspicions keep being raised. Is the North pursuing nuclear development in secret underground facilities which cannot be ascertained by South Korea and the United States? Does the North already possess several kilograms of plutonium and hidden it in hard-to-find locations?

Questions are being asked about any other nuclear-related facilities outside of the facilities North Korea has reported to the IAEA. A source well informed about North Korean nuclear development information related: "According to secret intelligence gathered by the United States in early 1992, there is a large atomic research center three times the size of the Yongbyong facility (between 5,000 and 6,000 researchers) in Pyongsong, North Pyongan Province." At the same time, U.S. intelligence reveals that there are atomic power research centers in Nanam and Wonsan as well.

If this intelligence is true, why did not the United States raise the question before now, and did they withhold this fact in order to use it as a trump card, if they knew about such a large facility? In response to this, the news source said: "Because there are no suspicious facilities like the reprocessing facility in Yongbyon in places like Pyongsong, the United States determined it not to be a problem."

An intelligence source in the Ministry of National Defense confirmed the existence of an atomic power research center in Pyongsong. "At the end of 1991, according to intelligence produced by the United States, there were indications of an atomic power research center at Pyongsong, but there was no detailed intelligence about things like its size," the source carefully stated.

The pessimists indicate that even with North-South mutual inspections, it will be difficult to stop the North's secret nuclear development and that Kim Il-song is already pulling the reins of the Korean peninsula's nuclear problem. No matter how advanced the U.S. intelligence organizations are, they cannot thoroughly check the numerous North Korean underground facilities. After the IAEA completed its inspections, Kim Il-song, who has perceived that not all of the North's underground facilities can be checked, has "with confidence" received the North-South mutual inspections to dull the sharp edge of a "combined attack by the Republic of Korea, the United States, and Japan."

The Problem With South Korea's Nuclear Policy

Just as the North's authorization of the IAEA inspections blocked the use of a strong card such as the possible bombing of North Korean facilities, North Korea's acceptance of the North-South mutual inspections would make any further demands on the North difficult. Pessimists contend that even after the North-South mutual inspections they fear the threat of the North's nuclear development will not disappear. They also contend that after the North-South mutual inspections there will be no plan the South can present as its ace in the hole.

Concerning this, Special Advisor Pan Ki-mun emphasized: "The mutual inspections are a departure point, not the end of the journey for the resolution of the North Korean nuclear question." He also said: "The unannounced inspections cannot confirm all areas in North Korea, but as the North will not know when or where the inspection team will draw close, it provides a psychological restraint that will make them uneasy and will suppress their nuclear development."

It is time reporters pass judgment and not just talk about the various kinds of information or the experts' advice. Reporters who are not nuclear experts and who have never been to North Korea, much less to the Yongbyon nuclear facilities, sit in Seoul with limited information and print unreasonable stories about the true nature of North Korea's nuclear development.

Only after listening to the top South Korean nuclear experts for the past two months has this reporter gained an impression of an "outline" of North Korea's nuclear development. This reporter's "impressions" are that because North Korea's nuclear development has been very ambitiously pursued in various fields, there are suspicions about the fields they have pursued. However, is it not still too early to say North Korea has completed nuclear development?

The advice of the man responsible for nuclear development during President Pak's regime is quite timely. He confided: "The method for manufacturing an atomic bomb is taught in college courses, but in reality there are more difficulties than one would imagine."

Even more important than whether North Korea has made a nuclear bomb as was expected, and if not, can they make one, is that many experts point out that we must focus on the South's policies in response to the North's nuclear development. Every time suspicions are raised over North Korean nuclear development there is talk, confusing countries like the United States, as to whether the nuclear question is a South Korean problem or if it is a foreign problem. At any rate, because nuclear suspicions about North Korea are brought up continuously, it is time to demand a South Korean independent nuclear policy which responds to the North Korean nuclear problem.

New Policies Promote Investment in PRC, SRV

SK0311082692 Seoul KYONGHYANG SINMUN in Korean 1 Nov 92 p 7

[Text] The government has decided to adjust its policy for investment in northern countries to induce large enterprises to invest in China and old enterprises to invest in Vietnam.

Also it has decided to induce investment in Russia on a small-scale basis and restrain large-scale investment in it for the time being.

A high-ranking government official said on 30 October that "The government has adjusted its basic policy for investment in northern countries after due consideration of these countries' investment environment, political situation, and status of competition with foreign companies." Then he said that "This policy will be actively reflected in the course of investment deliberation in the future."

He also said that "Making large-scale investment in China by large enterprises is inevitable to compete with Japan, which rushed into China before we did." He added that "The government is planning various methods to support this."

With the view that the establishment of diplomatic relations with Vietnam is near at hand, the government sent a large investment environment survey team to Vietnam on 28 October to prepare for full-scale investment in Vietnam after the establishment of diplomatic relations.

At present, because of relations between Vietnam and the United States, investment in Vietnam by advanced countries, including Japan, is small while Chinese emigrants in Hong Kong and Taiwan are mainly investing in Vietnam. The government views that under these circumstances, ROK old enterprises can stand a good chance of success in competition with foreign companies in Vietnam.

Meanwhile, the government analyzes that it is uncertain to attain actual profits from the investment in establishing an industrial complex in the Maritime Province because of an absolute shortage of indirect social capital, such as electric power and water available for use, and because of very strict labor laws in the Maritime Province.

Upcoming Presidential Election Analyzed

SK0111073192 Seoul THE KOREA TIMES in English 1 Nov 92 p 13

[By staff reporter Kim Song-pok]

[Text] The upcoming presidential election is to take place in new political settings different from those of 1987 but with old faces starring.

For the past five years, politics has been on its ups and downs and finally pulled off an unprecedented milieu for a fair presidential election.

First of all, President No Tae-u gave up his membership of the Democratic Liberal Party [DLP] through the Sept. 18 declaration this year in order to keep himself aloof from politics.

He also formed a "neutral" Cabinet early last month, replacing the prime minister, the chief of the Agency for National Security Planning and four ministers of home affairs, justice, culture and 1st political affairs, all of whom are considered being related to election management.

Hyon Sung-chong, well-known educator of integrity, continued to decline No's offer of the premiership but, in the long run, accepted it on the condition that he will quit at any moment the Chief Executive veers away from his proclaimed neutrality.

Officialdom, especially intelligence agencies, have pronounced that they would neither make nor meddle in politics as a result of divulgence by a county chief, Han Chun-su, of intervention in the March 24 National Assembly elections and ensuing public outcry.

Also following suit was the military which was meddlesome at almost every turn of political crisis.

Now gone are the tough struggles by opposition forces on the street as well as self-immolation protests by student activists against the "military dictatorship" which were pronouns of the governments led by ex-presidents Pak Chong-hui and Chon Tu-hwan.

The changes are welcomed by the opposition parties in a rare gesture. Ironically, however, the DLP appeared sullen and bewildered at the Cabinet reshuffling as well as No's sudden departure from the party which triggered the break of ranks by some influential lawmakers, including co-chairman Pak Tae-chun.

The new "political landscape" is the microcosmic change in people's expectation of and attitude toward politics.

The parties are quick to respond to the changed political climate. They do not plan to resort to the so-called "numbers game," or the competition to attract larger crowds to their stumping sessions, according to campaign strategies by the three major parties.

Candidates are trying to build their moderate images with emphasis on reform-mindedness and ability to take care of state affairs, especially another economic recovery which has been on a downturn for the past years.

Against this different political backdrop, the major actors bidding for the presidency are "old stars."

At present, eight people have already declared or are preparing to declare their candidacy.

They are Kim Yong-sam of the DLP; Kim Tae-chung of the DP; Chong Chu-yong of the United People's Party [UPP]; Yi Pyong-ho who is practicing law; ex-Rep. Ms. Kim Ok-sun; Paek Ki-wan, who ran in the 1987 presidential poll but quit; Chin Pok-ki, who bid for the presidency in the 1971 election.

The nascent party, tentatively named the New Korea Party [NKP], may field a contender. The NKP comprises figures who broke ranks from the parties led by Kim Yong-sam and Kim Tae-chung.

Among the eight, Chong, Yi and Ms. Kim are the "new faces" in the presidential elections.

Kim Yong-sam is running for the December election for the second time. He ran in the 1987 election on the ticket of the now-defunct Reunification Democratic Party [RDP] and finished second in the election with 6,337,581 votes, next to No Tae-u of the now-defunct Democratic Justice Party, the winner with 8,282,738 ballots.

About two years into his five-year single term, No made a bombshell announcement to merge his DLP with two opposition parties led by Kim Yong-sam and Kim Chong-pil, another rival in the 1987 presidential election, into the DLP.

The surprise revamping of the political circles left Kim Tae-chung only in the opposition camp.

The heterogeneous DLP has suffered from the continual in-house feud, mainly over the party's presidential candidacy. After a vicissitude, Kim Yong-sam was elected the DLP's standard-bearer on the strength of the strong but backstage support of No.

Kim Tae-chung's bidding for the highest office this year is the third one, following the first in 1971, the second in 1987.

In the 1971 election, he swallowed sorrowful tears for his defeat with narrow margin of some 950,000 votes to then president Pak Chong-hui who was elected his third term.

Kim argued that he would have won the election against Pak if the election were held in a fair manner. Then powerful Central Intelligence Agency of Korea was used as a strong arm for the campaigning wedded with the full intervention by the administrative agencies, witnesses have revealed.

Five years ago, Kim Yong-sam and Kim Tae-chung co-led then major opposition RDP. However, their discord on who would become the party's standard-bearer resulted in the breakup of the RDP in late October, 1987.

Kim Tae-chung bolted from the party and hurriedly created a new one, the Party for Peace and Democracy, to run in the presidential election on Dec. 16, 1987.

The split of the opposition forces helped No win the race. A foreign newspaper headlined an article of the 1987 Korean presidential election: Two Kims Elect No.

The December presidential election is bound to be the venue for the no-hold-barred contention between the "two Kims." Tycoon- turned-politician Chong Chu-yong is taken to be a factor to shift the center of weight between the two Kims.

If the NKP succeeds in fielding a candidate with national name recognition, fresh image and vigor and armed with full knowledge of handling economic affairs, the picture of the forthcoming election will become a different one from the bottom up.

Reports have it that the NKP is eager to find such a "national hero." Former prime minister Kang Yong-hun was reportedly offered the NKP presidential candidacy, but he declined. Another report said that Daewoo Group chairman Kim U-chung is prodded to join the party.

During the campaign trail, DLP candidate Kim, erstwhile life-long oppositionist, is subjected to explain, among others, why he crossed the floor into the ruling camp in 1990 and why he broke off the agreement with No and Kim Chong-pil to change the government form into a parliamentary Cabinet system.

Moreover, it is a question how he can overcome the age-old obstacle of regional antagonism, or how many votes he can obtain from Cholla provinces which are the strongholds of his rival Kim Tae-chung.

As far as regionalism is concerned, Kim Tae-chung is no exception. The key problem for him is how to earn the heart of voters in Kyongsang provinces which are the powerhouse of Kim Yong-sam.

Without overcoming the obstacle, their political ambitions may get nowhere and, if elected, they are certain to find themselves in difficulties in office.

Meanwhile, Chong may be urged to explain the alleged "tie-in" with previous regimes especially led by Pak Chong-hui, which is generally accepted as his gimmick to amass his trillion won fortune.

Since the establishment of government in 1948, 14 presidential elections—seven in direct popular voting and the rest in indirect one, were held. But the fourth one held March 15, 1960 was declared null and void by the National Assembly for the notorious election rigging by then president Syunman Rhee.

It ignited the April 19 student uprising and, at last, made Rhee step down for an exile in Hawaii.

For the past 44 years, six presidents have been in office. The president who stayed in office for the longest period was the late Pak.

Pak took power in a military coup in 1961. He was in office continuously until he was assassinated on Oct. 26, 1979.

On the heels of Pak's sudden demise, Choe Kyu-ha was the acting president. He was elected by an electoral body in an indirect vote on Dec. 6, 1979 and handed over the presidency to Chon on Aug. 27, 1980. Choe was the shortest-lived president.

President No, who was handpicked by Chon to succeed, lifted the ban on Kim Tae-chung through his surprise June 29 declaration in 1987 and was elected president by direct popular vote.

Parties Announce Presidential Election Platforms

Democratic Liberal Party

SK0311075192 Seoul YONHAP in English 0644 GMT 3 Nov 92

[Text] Seoul, Nov. 3 (YONHAP)—The majority Democratic Liberal Party announced its presidential election platform Tuesday, giving 77 pledges in 10 broad categories in order to realize "clean politics and a strong government."

The manifesto, called "Presidential Candidate Kim Yong-sam's Promises for the Creation of a New Korea," sets three general directions: the realization of a new economy participated in by all the people, a healthy society for everyone, and a new South Korea heading toward unification.

It says that if Kim is elected president in December he will form a committee in the government to help prevent corruption, and will also set up a special committee in the government and the National Assembly to reform the electoral system to insure clean and inexpensive elections.

In it, Kim pledges that he and members of his family will make their assets public and he will make an account of his assets at the end of his term as president.

To wipe out regional hatred and conflicts among different classes and to promote dialogue and reconciliation among the people, Kim promises large, special pardons and restoration of civil rights to those who were or are imprisoned.

He vows to crack down on criminal organizations and root out such inhuman crimes as rape to establish law and order in the nation.

At the same time, the manifesto says the Democratic Liberal Party will hold elections for chiefs of local governing bodies by 1995, and to help reform administrative tasks and for fair employment it will eradicate favoritism for schoolmates, relatives and people from the same province or area.

In economic policies, Kim and his party will try to institute the so-called real-name system for all financial transactions, cut price increases to less than 3 percent within two years and turn the nation's international balance of payments into the black in 1994.

In addition, the manifesto says the party will help lower interest rates to a single digit and vitalize the stock exchange, prevent real estate speculation and increase the supply of housing for the poor, and increase investment in scientific and technological development by 3 percent of the national budget.

With regard to the agricultural and fisheries sector, Kim will set up a presidential committee to help restructure the nation's farm and fishery industry by spending 42 trillion won over a period of 10 years.

The Kim administration will never open the domestic market for foreign rice or remove government restrictions on selling and purchasing farm land.

To relieve urban traffic congestion, the party will extend the subway networks in six largest cities to 558 kilometers and set up a presidential council to improve the welfare of senior citizens and the physically disabled.

The party hopes to unify the country by the end of the century, the platform says, and with that goal in mind it will promote disarmament on both sides of the demilitarized zone while stepping up efforts to realize exchanges of separated families and cultural and sports personnel.

Democratic Party

SK0211031792 Seoul YONHAP in English 0255 GMT 2 Nov 92

[Text] Seoul, Nov. 2 (YONHAP)—The Democratic Party became the first among the three major political parties to announce its platform for the presidential election Monday, pledging to carry out 100 major policies including the realization of real-name financial transactions in 1993.

The majority Democratic Liberal Party's presidential candidate, Kim Yong-sam, will announce his party's platform at a rally in Seoul Tuesday.

The Unification National Party [United People's Party] is expected to adopt its policies Wednesday at a debate for the public pledges on its policies attended by Chong Chu-yong and other party leaders.

The Democratic Party's platform was worked out in four broad directions. They are politics of dialogue and reconciliation, the realization of South Korea as the world's eighth largest economy, building of a cultural and social welfare state and the promotion for peaceful unification of the country.

The party declared that if its presidential candidate Kim Tae-chung were elected president, it would root out irregularities and corruption and carry out politics trusted by the people. It will form a "pan-national cabinet" and eradicate regionalism through fair employment practices.

It would also bring down the voting age to 18 from the present 20, introduce a special auditing system, and raise salaries of government and public officials to the levels of the employees of government-invested corporations within two years.

In the field of national security, the Democratic Party would replace the national security law with a more democratic law and reform the Agency for National Security Planning to become a purely intelligence gathering organization outside the country.

In order to bring the nation up to the eighth economically advanced nation, the party will maintain price increases at 3 percent in two years, the real-name system in all financial transactions in 1993, increase investment in the science and technological development to 5 percent of the gross national product.

In other economic areas, the party will spend more than 5 trillion won in five years for the development of small- and medium- sized enterprises, oppose the opening of the domestic market for rice and beef, build 600,000 housing units each year, and expand highway and subway networks.

With regard to North Korea, the Democratic Party would help realize exchanges of separated families within one year of its administration and cut the length of military service to 18 months if the "atmosphere" for disarmament becomes favorable.

Policy of Chong Chu-yong, UPP Viewed

SK0211025692 Seoul THE KOREA TIMES in English 1 Nov 92 p 16

[By staff reporter Pak Song-yong]

[Text] Presidential candidate Chong Chu-yong of the United People's Party [UPP], the third largest political party, stressed in his keynote speech to the National Assembly that his party is a new political force fostered by a thirty-year economic development of this country, whose highest goal is to replace old-fashioned politics with a fresh and energetic one in an unselfish way.

Some political analysts say that his words represent both the UPP's founding ideology and limits as a political force.

"Chong is said to have thought that he needed 'power' when he was deprived of Changwon Heavy Ind. by a so-called 'new military junta' in 1980.

"But during the Fifth Republic led by former president Chon Tu-hwan, he protected and even extended his businesses through appeasing the ruling force with political funds.

"In this context, he is not exactly a 'new political force' in essence because he influenced the politics at second hand, and this can be the UPP's apparent limit," they say.

In the Sixth Republic, as he became alienated by President No Tae-u, he contrived the concrete steps for "power."

Chong formed the United People's Party about 40 days prior to the March general elections, and, to the people's surprise, he succeeded in winning 24 seats in local constituencies. He made a debut as a new force in the political field. So to speak, the UPP appealed to the people dissatisfied with both Kim Yong-sam of the Democratic Liberal Party and Kim Tae-chung of the Democratic Party as the third choice.

The strategy for the upcoming presidential election of the third largest party also reflects the ideology and limit of the tycoon-turned-politician.

First of all, we take a look at the organization of the Presidential Election Campaign Management Committee launched on Oct. 1 and then the UPP's positions on the impending issues.

The UPP's campaign machine is composed of the management committee headed by co-chairman Kim Tong-kil, the consultative committee including management committee members and all executive lawmakers, and central headquarters of election campaign.

The management committee is made up of co-chairmen Yang Sun-chik, Kim Kwang-il and Cho Yun-ha, and floor-leader Kim Chong-nam, secretary general Kim Hyo-yong, top policy maker Yun Yong-tak, spokesman Pyon Chong-il, Rep. Chong Mong-chun and special aide of party president Yi Pyong-kyu.

Riches Success Story

The central headquarters of the election campaign headed by Kim Hyo-yong is made up of general, organization, policy, female and social activity headquarters. The chiefs of the headquarters are special aide Pak Se-yong, who was a close staff of Chong, Rep. Song Kwang-ho, retired Colonel, Rep. Kim Uk-tae formerly president of the Citizens National Bank, Yim Chin-chul, and Yi Kon-yong, Maj. Gen (Ret.).

The biggest asset of the party is Chong himself. He has national appeal. His contribution to national development is so strong that he can be symbolized as Korea's rise from the ashes of the Korean War.

His party fared well in the March election although it was only four months old then.

Everyone knows his rags to riches success story.

Born to a farm family in North Korea, he endured all kinds of difficulties. He once worked as a brick layer at a construction site. At other times, he worked as a porter at a rice shop.

He did all kinds of menial jobs. But this did not discourage him. With his unending perseverance and courage, he became the nation's top businessman. His success story is dramatic enough to captivate the hearts of the people.

On Economy

He is now trying to incite the public into becoming disenchanted with professional politicians as represented by the so-called two Kims, arguing their days are gone.

Economy is said to be the strongest point for Chong and he also tried to differentiate himself from the two Kims. Kim Yong-sam of the DLP and Kim Tae-chung of the

DP here, by devoting most of his time to his major subject in his keynote speech.

In the floor speech, he said, "The recent international society is plunging into the stark economic war in which each country is armed with collective selfishness as a result of the collapse of the cold war structure characterized by confrontation of ideologies."

What he puts stress on most is transformation of a government-led economy to a civilian-led one. That is, he is laying the most value on small government, saying "Small is beautiful."

Concretely speaking, he claims that with the bank interest rate lowered to 7-8 percent, he can easily stabilize the inflation rate within 3 percent.

He says banks should check only the credibility of companies so that they can easily borrow money from banks whenever they turn in plans for a new project.

He promises that he will reform the economic structure making the medium-and- small sized businesses the center of the economy and push up the country on the level of 20,000 dollars of national income per capita.

He also stresses what he calls "economic justice."

He maintains that he can disintegrate the conglomerates with a one-year grace period and advocates the use of real names in financial deals and public ownership of land.

On Unification

Some critics, however, cast doubtful eyes on his promises of economic justice pointing out that "small government" is the motto of neo-conservatives who have been trying to dismantle the welfare state through deregulation on monopolistic capital since early 1980s in developed countries such as the United States and the Britain.

The next elected president is required to have both solid confidence and concrete programs for unifying the Korean Peninsula along with the burden of solving an impending economic crisis.

Thanks to changed international situations and new relations between the North and South during the past several years, the new president will be given credit for unification.

The UPP presidential nominee Chong has presented programs and visions for unification.

What catches our eye most is that he maintains the South should absorb the North, which even government officials hesitate to say.

On Regionalism

Of course, he says the absorption should not be a forced one but a natural one of inducing Pyongyang into the capitalistic free market economy of Seoul. It is needless to say that this unification formula's target is the elderly North Korean natives now living in the South.

The problem of "regionalism" has been a dark shadow suspended on Korea's political history since the Third Republic led by the late president Pak Chong-hui.

It cannot be denied that Korean people have put more priority on "where the candidate is from" not on "what the candidate's policies are" in past elections.

On regionalism, Chong keeps the position that the two Kims should disappeared from the political scene and he is the only alternative, charging "They are only aggravating the problem."

He says, "Our nation will suffer if either of the two Kims, who aggravated the confrontation between Cholla and Kyongsang provinces, is elected.

What he presents as solutions for regionalism are: To invest in undeveloped regions first, to ensure fair personnel administration, and to implement local autonomy in full.

On Diplomacy

But some critics say the UPP itself took advantage of regionalism in Kangwon province taking 31.9 percent of votes in the March Assemblymen elections.

On ROK-US relations, the UPP's basic position is to maintain the present "solid relationship."

Chong says, "We should carry on active diplomacy to win strong support from the neighboring nations in our efforts for unification. And we should be well prepared for a sudden attack by North Korea on the ground of self-defense and strong ROK-U.S. security relations."

Police Increase Security for Candidates

SK0211021392 Seoul YONHAP in English 0147 GMT 2 Nov 92

[Text] Seoul, Nov. 2 (YONHAP)—The police have helped beef up security for presidential candidates of three major parties, assigning them eight armed bodyguards each.

The National Police Administration, accused of lax security for the candidates in the 1987 election, said Monday that it had put 24 policemen on campaign security detail.

The police will provide security for other candidates if it is formally requested, the administration said.

Some 3,800 plainclothes and riot policemen have been put on the alert or posted around the houses of the candidates and their rallies to prevent attacks, it said.

The bodyguards would carry loaded pistols, a police spokesman said.

The reinforcements were also added because of the possibility that North Korean agents might try to sabotage the campaign, he said.

Brunei, Malaysia & Singapore

Malaysia

Editorial Hails 1993 National Budget

BK0211120092 Kuala Lumpur NEW STRAITS TIMES in English 31 Oct 92 p 10

[Editorial: "Fine-Tuning the Economic Engine"]

[Text] It is a budget that draws smiles from all levels of society. A budget that invites greater participation from the rakyat [people], both individuals and corporate citizens, to maintain the country's buoyant economy; and one which regards equitable prosperity, development and democracy as indivisible.

It is clear from the minister of finance's budget proposals that the main thrust of the 1993 budget is to sustain the rate of economic growth as well as to maintain the competitiveness of the Malaysian economy. Its paramount consideration is to enhance the quality of the rakyat's life in the coming years—a proof that the meaning of democracy in this country extends to an equitable distribution of the economic cake.

If such noble objectives are greeted with scepticism by the prophets of doom then the minister certainly has soothing answers to their question of whether the nation can still afford to sustain the present rate of economic growth. His sound and sensible solution: Build the country's economic resilience. True, that is not a quick-fix answer but then history has proven that quick-fix solutions to economic problems have always tended to be more damaging in the long run.

What the minister offers are realistic and feasible long- and short-term measures to achieve a certain level of resilience that would weather the domestic challenges as well as those brought about by the gloomy global economic scenario, which is likely to persist for the next few years.

The key strategy is the adoption of prudent fiscal measures and restrictive monetary measures. Such measures, as reflected in the cutbacks of several areas of government expenditure, is necessary to counter external economic slowdown and subdue the rising trend of inflation. However, the public should be thankful for the fact that they are not affected by any belt-tightening measures. The increase in the rate of contributions by both employers and employees to the Employees Provident Fund is a gracious and kind way of increasing the country's savings to sustain investments.

The abolishing of development tax and reduction of corporate tax serve to encourage greater participation from the private sector in increasing the competitiveness of the economy. The reduction will allow more funds to be channelled into research and development and to expand production. This will boost domestic economic growth. The budget nurtures the hope that such tax reforms, small as they may be, will witness greater competitiveness from industries which is vital as a preliminary gearing up in anticipation of regional trade liberalisation. It is up to the private sector to take the initiative and utilise the windfall. The steps to contain inflationary pressures do not burden the public. One notable instance is that the restructuring of the taxes on consumption does not burden the lower income groups. It is a budget that cares and seeks to nurture the caring society concept.

Undoubtedly, it is a cool and mild budget. There are no dramatic changes and this is not because the economic scenario ahead poses no complications. It is because we have reached the stage where we are confident enough to manage the growth, to make the necessary adjustments and to rise to the challenges ahead.

Truly, it is a budget that invites all Malaysians from all walks of life to work together to sustain the success story of the nation's economic growth.

SRV Agriculture Official on Marketing Strategy

BK0311033692 Kuala Lumpur BERNAMA in English 0309 GMT 3 Nov 92

[Text] Kuala Lumpur, Nov 3 (OANA-BERNAMA)—Farmers in Vietnam can adopt the efficient marketing of agricultural produce in Malaysia by the Federal Agricultural Marketing Authority (FAMA), a Vietnamese official said here Tuesday.

Chairman of Vietnam's Economic and Budgetary Committee Mai Thuc Lan, who is leading a five-man delegation here, said they would make recommendations to their Agriculture Ministry to provide better conditions and facilities through its agriculture organisations to help farmers market their produce more effectively.

Although we have similar organisations, they are not as effective as FAMA, he told reporters after a briefing by FAMA Deputy Director General Abu Bakar Abdul Hamid here.

Also present was Vietnamese Ambassador here Ngo Tat To.

We will organise similar marketing strategies to help market farmers produce from the various districts, he said.

Thuc Lan said that more Vietnamese officials would be sent to Malaysia in future to study other aspects of agriculture.

Cambodia

Meeting Between IMF Delegation, SNC Reported

BK3110092992 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 Oct 92

[Text] According to reports, there was a meeting in Phnom Penh on 27 October of representatives from the

IMF and those from the four Cambodian parties in the Supreme National Council [SNC].

The reports say that the IMF delegation, led by (Yiew Shushe), high-ranking adviser of the IMF, has been in Phnom Penh since 15 October to assist in organizing the financial and banking sectors of Vietnam's puppet regime in Phnom Penh. The reports added that at the meeting in Phnom Penh on 27 October, the IMF representatives informed those of the four Cambodian parties that Cambodia owes the IMF $62 million. The view of IMF representatives is that the real situation in Cambodia is serious inflation, namely the devaluation of the riel currency because the Phnom Penh side keeps printing riel banknotes at will. There is a budget crisis with a lot of expenditure without income. The IMF, the World Bank, and the Asian Development Bank are required to provide quick financial and budgetary assistance.

The representative of the Democratic Kampuchea [DK] side then asked this question: Is the financial and budgetary assistance for the Phnom Penh side or for the Supreme National Council, which is the legitimate and the sole source of power in Cambodia during the transitional period and the one responsible for borrowing and paying back?

Replying to the question by the DK representative, the IMF representative admitted that, on the one hand, the SNC represents Cambodia's sovereignty; therefore, the one responsible to the IMF is the SNC, who is the one who borrows and pays back. On the other hand, the money borrowed from abroad is for solving the inflation and the budget shortage of the so-called State of Cambodia, that is Vietnam's puppet regime in Phnom Penh.

The DK representative affirmed the DK stance as follows:

1. It is not in line with the essence and spirit of the Paris agreement that the IMF or orther international financial bodies carry out activities to provide support for one party, that is the Phnom Penh side; this represents an opposition to the implementaion of the Paris agreement.

2. As for inflation and the devaluation of the riel currency of Vietnam's puppets, the Cambodian people no longer use this currency because the Vietnamese aggressors and their puppets have printed these banknotes for cheating and robbing the property, rice, fish, and meat of the Cambodian people for over 14 years. The Vietnamese aggressors and the Phnom Penh puppets have used this riel currency to serve the war of aggression and occupation in Cambodia for 14 years. They are still printing these riel banknotes at will to continue their war of aggression and occupation in Cambodia.

3. Gold and silver Cambodia has deposited in the Cambodia Fund should be handed over to the SNC. In particular, this money should not be used to pay debt or for the IMF and other international monetary bodies to provide aid to the Phnom Penh side, which has been propped up by the Vietnamese aggressors.

With this trick of helping only the Vietnamese aggressors and Vietnam's puppets to continue the war of aggression and occupation in Cambodia, how can the 23 August 1991 Paris agreement be implemented? How can Cambodia have peace, independence, and national union?

Deputy Prime Minister Receives U.S. Envoy

BK3110094892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 30 Oct 92

[Text] On the afternoon of 28 October at the office of the Council of Ministers, Prince Norodom Chakkrapong, vice chairman of the Council of Ministers, received His Excellency [H.E.] Charles Twining, head of the U.S. diplomatic mission accredited to Cambodia.

On this occasion, Prince Chakkrapong welcomed and stressed to H.E. Charles Twining the State of Cambodia [SOC]'s firm efforts to most correctly implement its search for peace in accordance with the agreement, despite the Khmer Rouge refusal to do so and its continued violations.

Prince Norodom Chakkrapong further informed His Excellency Charles Twining of the unanimous agreement of the Cambodian People's Party and the SOC Government on the presidential candidacy of His Royal Highness Prince Norodom Sihanouk, father of the nation, and chairman of the Supreme National Council; and on the proposal to hold the presidential election before the constituent assembly election.

Finally, Prince Norodom Chakkrapong appealed to the international community, including the United States, to provide assistance in the three sectors, (?education), social and public health, and agriculture, as these are the major fronts where the Cambodian people's progress and prosperity could be quickly promoted.

Replying, H.E. Charles Twining expressed his renewed joy at the SOC Government's implementation of the Paris peace agreement and his hope that the Cambodian people will have peace in the future.

Sar Kheng Visits Siem Reap-Oddar Meanchey

BK0111134992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 1 Nov 92

[Text] Accompanied by a number of officials and General Ke Kimyan—member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, first deputy minister of National Defense, and chief of the General Staff of the Cambodian People's Armed Forces—Sar Kheng, member of the Standing Committee of the CPP Central Committee, vice chairman of the Council of Ministers, and minister of interior conducted a working visit to Siem Reap-Oddar

Meanchey Province on 28 and 29 October. During his two-day visit, Sar Kheng held talks with provincial, district, and communal leaders as well as leaders from various services and units in the province and many military officials from the fourth Military Region.

He listened to a report presented by Neou Sam, member of the CPP Central Committee and chairman of the provincial party committee and people's committee, on the performance of the multifarious work and the outcome of some important tasks the province has undertaken. Neou Sam also briefed Sar Kheng on the Paris accord violations, especially those committed by the other Cambodian side including the Khmer Rouge faction, which continues to ship all kinds of weapons, ammunition, and war equipment into the province. The Khmer Rouge have also plundered the villagers' property and cattle and wreaked havoc upon our people in a number of localities there. The provincial chief also spoke about the efforts by the local people's committee and local officials at all levels to collaborate with UNTAC [UN Transitional Authority in Cambodia] so as to enable them to implement the Paris peace accord.

At the meeting, Sar Kheng talked about some new events and the country's development, particularly the execution of the Paris accord. He underlined the goodwill of the CPP and SOC Government, which have sincerely and correctly implemented the accord and shown cooperation to UNTAC to enable them to successfully enhance the application of the accord. This is to achieve national reunification, thereby rebuilding the country, restoring security and peace, and promoting national development and true happiness for our Cambodian people. He pointed out that while the SOC party respected and abided by the accord, especially while we regrouped, demobilized, allowed tens of thousands of our troops to temporarily return to civilian life in line with the accord's second phase, the other side, specifically the Khmer Rouge has continued to commit violations against our SOC. The Khmer Rouge have not only failed to respect and abide by the Paris accord and collaborate with UNTAC, they have also created difficulties for UNTAC, objected against all the resolutions adopted by the international community and United Nations, and prevented UNTAC from controlling and supervising the regions under their control.

Sar Kheng urged provicial officials at all levels to increasingly collaborate with UNTAC in implementing the diverse steps of the accord and to continue with their efforts to construct important local infrastructure, including hospitals, schools, and so on to promote the people's health, increase their knowledge, and improve their children's education. He also called on all leaders and officials to pay attention to improving the living conditions of the people—especially the livelihood of the families of those who have served the society and nation, the families of fallen combatants, needy families, and the repatriated population—to further improve and stabilize their standard of living.

Visits Kompong Thom 29-30 Oct

BK0211040592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Nov 92

[Text] Sar Kheng, member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, vice chairman of the Council of Ministers, and minister of the Interior—accompanied by General Ke Kimyan, member of the Standing Committee of the CPP Central Committee, first deputy defense minister, and chief of the General Staff of the Cambodian People's Armed Forces; and many generals, ministers, deputy ministers, and officials —paid a working visit to Kompong Thom Province on 29 to 30 October.

During his two-day working visit in Kompong Thom Province, Sar Kheng met with the officials and leaders of various provincial, district, and commune offices and units; Army commanders; and many other officials.

General Chieng Am, member of the CPP Central Committee and chairman of Kompong Thom Provincial Party and People's Committees, was also present during the meeting.

Speaking on that occasion, Vice Chairman of the Council of Ministers Sar Kheng spoke on the political situation inside and outside the country, particularly on the implementation of the Paris peace agreement. He stressed the good will of the CPP and Government of the State of Cambodia [SOC], which have striven to correctly implement all the provisions of the agreement so as to end the war, achieve national reconciliation, and bring about peace and security for rebuilding and making our country develop prosperously. He noted that, in contrast to our good will, the Khmer Rouge have continuously launched activities against the SOC. They also have shelled villages, robbed the people of their property and cattle, and stealthily transported arms and ammunition into the interior of the country. He stressed that not only had the Khmer Rouge refused to respect the agreement and cooperate with the UNTAC [UN Transitional Authority in Cambodia], but they had also refused to allow UNTAC to conduct supervision in their controlled zone. The Khmer Rouge had also sought all means to hinder and foil the implementation of the agreement. Through these activities, the international community has clearly seen that the Khmer Rouge have had no good will to abide by the agreement.

Sar Kheng exhorted all leaders and officials at all levels, particularly the commanders of the military and people's police units to heighten their vigilance so as to successfully safeguard the security and stability of the people. All leaders should pay attention to the livelihood of the people, particularly concerning the provision of assistance to the families of fallen and disabled combatants, families which have done good deeds for the motherland, needy families, and the returnees. In addition, they should pay attention to building necessary establishments, such as hospitals and schools for giving health care to the people and providing education to the children. Moreover, they should continue to cooperate with the UNTAC authorities on mission in the province in contributing to a successful implementation of the Paris agreement, thus bringing peace to our Cambodian motherland and people.

Phnom Penh Said To Export More Timber Than KR

BK0211094392 Phnom Penh THE CAMBODIA TIMES in English 11-25 Oct 92, p 10

[Text] A ban on the export of logs was introduced at the Sept 23 meeting of the Supreme National Council (SNC), despite objections from the Khmer Rouge [KR].

The moratorium, effective December 31 this year, will ban the export of "round logs" or unprocessed logs.

United Nations Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi presented to the meeting a declaration on the protection of the environment and the sustainable use of Cambodia's natural resources.

Akashi, however, reminded the gathering that it was Samdech Preah Norodom Sihanouk, speaking at the Rio conference, who had drawn the world's attention to the alarming fate of Cambodia's forests.

Akashi described the passing of the ban as "a very courageous attempt to sacrifice short-term financial gains to the long-term interest of the Cambodian people."

Cambodia's forests have been as much a victim of the past two decades of conflict as the Cambodian people.

Although badly damaged by the American B-62 campaign to cut off supplies to the South Vietnamese communists, the real threat to these vital reserves has come in more recent years.

All four factions have engaged in rampant logging.

A recent report by the United Nations Development Programme (UNDP) stated that forestry cover in Cambodia has fallen progressively from about 73 percent of total land area in 1965 to possibly as low as 40 percent in 1992.

Up to two million hectares have been lost or degraded since 1979 and, the report continued, total exports for 1992 are likely to be four to five times the estimated sustainable yields.

Although more attention is paid to the Khmer Rouge logging, as it is a major source of financing for the defiant Maoist group, the government actually exports a greater amount of timber.

The reports stated that the government was expected to export 320,000 cubic metres this year, with a ceiling limit of 400,000 cubic metres being imposed by the Council of Ministers.

The Khmer Rouge figure for exports to five Thai concerns bordering their zones was 200,000 cubic metres.

"The cost of deforestation was evident in August 1991 when a flash flood caused an estimated US$150 million worth of damage," the report stated.

The return home of over 300,000 refugees and the consequent increased demand for both land and fuel will further endanger reserves, it was noted.

The original declaration presented to the SNC called for a ban on the export of sawn planks as well as round logs but Prime Minister Hun Sen objected.

The royalist FUNCINPEC (French acronym for the United National Front for an Indpendent, Neutral, Peaceful and Cooperative Cambodia) and the noncommunist Khmer People's National Liberation Front (KPNLF) backed the ban.

KPNLF leader Son Sann even called for the moratorium to start next month.

Only after Akashi introduced an amendment which allowed for the export of sawn planks did Hun Sen agree to the ban.

Democratic Kampuchea (DK) nominal leader Khieu Samphan opposed, saying that no representative of his party had attended the committee that drew up the declaration. He was overruled.

Newsweek magazine recently put the Khmer Rouge's income from log and gem trading at around US$100 million per annum. Thai Ambassador Sunai Bunyasiriphan, however, suggested a lower figure of US$1 million per month.

But Khmer Rouge spokesman Mak Ben the other week put the figure at probably less than one million dollars a month.

Mak Ben stated that his party objected "not because we refuse the moratorium but because we believe that so long as all the Cambodian parties cannot join in the control process, those suggested measures, however reasonable they may be, could not be carried out effectively. And the Phnom Penh party and Vietnam will continue to cut and export logs."

Akashi stated at the SNC meeting that UNTAC would identify external assistance programmes that would offset the revenue caused by the ban on logs.

UNTAC will also call on concerned international agencies to provide technical advice on the best use of forestry reserves.

UNTAC also took upon itself the responsibility of enforcing the ban through its land and maritime checkpoints.

The majority of log exports go to Vietnam and Japan and, from the Khmer Rouge zones, to Thailand.

When asked how the UN was going to prohibit the Khmer Rouge from exporting logs since their personnel were not deployed in Khmer Rouge zones, UNTAC spokesman Eric Falt responded: "We'll see about that in the coming weeks."

Hun Sen Greets Prince Sihanouk on 70th Birthday

BK0111100292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 31 Oct 92

["Message of greetings" to Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, from Hun Sen, chairman of the Council of Ministers; dated 23 October—read by announcer]

[Text] Revered prince father: I and my wife would like to extend best wishes to you, the revered prince, on the commemoration of your 70th birthday. May you have happiness and longevity so you can futher lead Cambodia toward the shore of infinite peace.

I and my wife would like to reaffirm that we will spare no strength to follow you in your mission of bringing about national unity and reunification, prosperity, and happiness for the motherland.

Please Your Royal Highness accept our eternal fidelity and respect.

Sihanouk Thanks Hun Sen

BK0111115992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 1 Nov 92

["Message of thanks" from Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, to Hun Sen, chairman of the Council of Ministers; dated 29 October—read by announcer]

[Text] Highly esteemed excellency and madam: I acknowledge the receipt of your greetings message dated 23 October 1992 addressed to me on my 70th birthday. I would like to heartily thank you for your fine gesture and your noble sentiment of devoted patriotism.

I extend my best wishes to Your Excellency and madam. May you both have all the best and enjoy the five blessings of Lord Buddha.

Your Excellency and madam, please, accept the highest and warmest regards from my wife and me.

Party Paper Greets Sihanouk on 70th Birthday

BK3110140592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 30 Oct 92

[PRACHEACHON editorial: "May the Prince Father Have a Long Life So He Can Remain a Cool Shade for the Cambodian People and a Warm Backing for Our Motherland"]

[Text] 31 October 1992 is a deeply meaningful day when the 70th birthday of His Royal Highness [HRH] Prince Norodom Sihanouk, whom our people affectionately respect, is commemorated. The Cambodian people across the country are joyfully celebrating and extremely proud of this magnificent day. They will never forget the historical event of 14 November 1991 when HRH Prince Norodom Sihanouk and the princess consort returned home to undertake a historic task of restoring peace and reestablishing national reunification to rebuild the country towards prosperity.

It has been more than 10 months since he returned to the motherland in order to fulfill his mission of mending the national rift, seeking peace, and speedily putting an end to the people's sufferings. HRH Prince Norodom Sihanouk, in his capacity as the father of the Cambodian nation and head of state, heeding the sacred requests of the Government of the State of Cambodia [SOC] and of the Cambodian people, have spared no energy to actively fulfill a great many tasks and to study the country's socioeconomic situation as well as the people's livelihood. He has been in close contact with the people to become acquainted with their living and also joined forces with the SOC Government to solve numerous problems so as to improve the living conditions of the people in all the provinces and cities of the motherland.

In his capacity as the chairman of the Supreme National Council [SNC], the prince father always remains neutral and has sincerely joined UNTAC [UN Transitional Authority in Cambodia] in striving to settle the divergence of opinion among the conflicting parties so as to pave the way for promoting the implementation of the peace accord toward its objective of ending the war that has protracted for two decades.

HRH Prince Norodom Sihanouk has paid great attention to expanding and strengthening diplomatic ties with near and distant friendly countries the world over and developing the relations of friendship with various international organizations with a view to obtaining aid for the reconstruction of the country, contributing to elevating Cambodia's role and image in the international arena. At present, diplomats from 42 countries have presented their credentials to the prince in order to reestablish diplomatic ties with Cambodia.

In all circumstances, the prince maintains his genuine and just stance by talking straightforwardly about what he has seen. He praises and upholds the correct actions that serve the real interests of the nation and people, but objects to opposing activities that ruin the people's interests and tranquility. This has made his role the cement for breaking national hostility and has also expanded his influence, making the Cambodian people from all walks of life feel grateful, respectful, and affectionate toward him. The people have firm confidence in his vivid intelligence.

With honesty, the prince father has not hesitated to render justice to the Cambodian People's Party and the

SOC Government, which invited him to return and accompanied him on his homebound trip and which has surmounted all manner of difficulties in the rehabilitation and reconstruction of the country starting from scratch to again achieve national gains. The prince has acknowledged that the SOC Government has sincerely strived to continue his Sangkum Reas Niyum policy, and he is happy to remain as a shade for the people.

The Cambodian people from all social strata are absolutely confident that HRH Prince Norodom Sihanouk will remain as the father of the nation and head of state of Cambodia, who is talented for leading the implementation of the policy of national reunification since his deeds and kindness are linked with the future glorious fates of the motherland of Angkor and of every Cambodian.

With joyous sentiments, the Cambodian people wish to extend best wishes to the prince father on the occasion of his 70th birthday. May your royal highness have a long life and the best of health so he can remain as the cool shade for his children and grandchildren forever. May the prince succeed in carrying out his mission of achieving national reunification, bringing the war to an end, and seeking peace for the nation and people, thereby rebuilding a Cambodia with independence, sovereignty, neutrality, and prosperity which represents the sacred aspiration of our people.

Sihanouk 'Shows Few Signs of Slowing' From Age

BK3110123392 Hong Kong AFP in English 1045 GMT 31 Oct 92

[By Andrew Sherry]

[Text] Phnom Penh, Oct 31 (AFP)—Prince Norodom Sihanouk, who turned 70 on Saturday, remains the indispensable man of Cambodian politics and shows few signs of slowing from age or illness, diplomats say.

In the two weeks since returning from treatment of a salivary gland inflammation in Beijing, he has been the main entertainment at a series of parties and movie evenings he hosted at the Royal Palace, singing for up to four hours in as many as eight languages.

"I have always had a lot of energy," he remarked after showing guests a newsreel of 1968 visit to Phnom Penh by Yugoslavia's Marshal Tito.

For the foreign ambassadors invited to attend these marathon soirees, the social scene is indeed starting to resemble the "golden era" before Prince Sihanouk was ousted in a 1970 putsch.

The Phnom Penh government declared his birthday a holiday, and the weekly CAMBODIA TIMES capitalized with an advertising supplement containing no less than 59 photos of the royal countenance.

The same giant portraits that greeted Prince Sihanouk's return from exile nearly one year ago have gone up around Phnom Penh to mark his birthday, depicting a cherubic, raven-haired young prince at the height of his powers.

As chairman of the Supreme National Council, a sovereign body with no real administrative powers, Prince Sihanouk by no means wields the same authority as in the 1960s.

But diplomats say that as the only national leader accepted by all four Cambodian factions, it is impossible to build Cambodia's future without Prince Sihanouk.

"Like it our not, he's the indispensable man," said a Western envoy.

To the exasperation of some diplomats, this means putting up with Prince Sihanouk's legendary capricousness—which he sometimes seems to use deliberately to enhance his importance.

For example, the prince last week signalled his displeasure at being left out of a Japanese-Thai effort to bring the Khmer Rouge back into the peace process by saying he would no longer run for president.

That dealt a coup-de-grace to the faltering inititative, since France and other key countries are counting on the prince to hold Cambodia together as president during the delicate period following U.N.-organized elections in May.

When the French and Indonesian foreign ministers announced that they wanted to meet Prince Sihanouk November 7-8 in an 11th-hour attempt to unblock the peace process, he agreed but said the meeting would have to take place in Beijing, where a birthday party in his honor was scheduled.

"The invitations have already been printed," an Asian diplomat quoted the prince as explaining.

Prince Sihanouk still appears to be venerated as hereditary god-king by many elderly Cambodians, though an entire generation has grown up since he was ousted from power.

Late last year, graffiti appeared on one of his portraits in Phnom Penh accusing him of colluding in the Khmer Rouge genocide, but most people seem to accept that he was a virtual prisoner of the Khmer Rouge from 1975 to 1979.

French colonial authorities put 18-year-old Prince Sihanouk on the throne in 1941 thinking he would be malleable, but he led Cambodia to independence in 1953.

He abdicated as king two years later to rule as a politician. He tried to balance off the great powers as his tiny country was sucked into the vortex of the Vietnam war, but was ousted by pro-American General Lon Nol in a 1970 coup.

He returned to Phnom Penh after the Marxist Khmer Rouge took power in 1975, but was kept isolated in the palace. He fled after Vietnam invaded the country in December 1978 and spent the following 13 years leading the resistance from exile in Pyongyang and Beijing.

He returned to Phnom Penh last November under the terms of the peace treaty signed by the Vietnamese-installed Phnom Penh government and the three resistance factions, including the Khmer Rouge.

Prince Sihanouk Leaves for 'Mission' to DPRK

BK0211121992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 2 Nov 92

[Text] His Royal Highness Prince Norodom Sihanouk, father of the nation, head of state of Cambodia, and chairman of the Cambodian Supreme National Council [SNC], and the princess royal consort left Phnom Penh by a special plane at 0700 on 2 November for a mission to the People's Democratic Republic of Korea.

Seeing the prince and princess off at Pochentong International Airport were His Excellency [H.E.] Heng Samrin, honorary chairman of the Cambodian People's Party [CPP] Central Committee and chairman of the State of Cambodia [SOC] Council of State, and madame; H.E. Chea Sim, chairman of the CPP Central Committee, of the National Assembly, and of the National Council of the Kampuchea United Front for National Construction and Defense; H.E. Hun Sen, vice chairman of the CPP Central Committee and chairman of the SOC Council of Ministers, and madame; and their excellencies in the Standing Committee of the CPP Central Committee, including H.E. Say Phuthang, chairman of the Control Commission of the CPP Central Committee and vice chairman of the Council of State; H.E. Bou Thang, H.E. Chea Soth, and Interior Minister H.E. Sar Kheng, vice chairmen of the Council of Ministers; H.E. Say Chhum, permanent vice chairman of the Council of Ministers; H.E. General Tie Banh, vice chairman of the Council of Ministers and minister of national defense; H.E. Kong Sam-ol, vice chairman of the Council of Ministers and minister of the Prime Minister's Office; Prince Norodom Chakkrapong, vice chairman of the SOC Council of Ministers; H.E. Mat Ly, vice chairman of the Control Commission of the CPP Central Committee and vice chairman of the National Assembly; Mrs. Men Sam-an, chairman of the Federation of Cambodian Trade Unions; H.E. Gen. Sin Song, minister of national security; H.E. Sim Ka, chairman of Phnom Penh city's party committee and people's committee; H.E. Gen. Pol Saroeun, deputy minister of national defense and chief of the Cambodian People's Armed Forces General Staff; together with members of the CPP Central Committees, ministers and deputy ministers, directors general and deputy directors general, leaders of various offices, institutions, and units, as well as many other officials and personalities.

Members of the SNC present there were H.E. Dit Munti, SOC minister of information and press; H.E. Hor Namhong, SOC minister of foreign affairs; Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party; H.E. Son Sann, president of the Khmer People's National Liberation Front; and H.E. Khieu Samphan, representative of the party of Democratic Kampuchea.

H.E. Yasushi Akashi, special representative of the UN secretary-general and head of the UN Transitional Authority in Cambodia [UNTAC], several ambassadors, special representatives, and permanent representatives of diplomatic missions accredited to Cambodia, representatives of the international organizations, and several other high-ranking UNTAC officials were also on hand to send the prince and princess off.

Indonesia

Chinese Envoy on Increasing Bilateral Trade Value

BK0111111292 Jakarta ANTARA in English 1034 GMT 1 Nov 92

[Text] Medan, N. Sumatra Nov 01 (OANA/ANTARA)—The trade volume and value between Indonesia and the People's Republic of China has been increasing since the normalization of diplomatic ties between the two countries two years ago, China's ambassador to Indonesia Qian Yongnian has said.

In 1991, the value of direct trade between the two countries was recorded at 1.88 million U.S. dollars or increased by more than 60 percent compared with that in the previous year, the ambassador disclosed here Saturday.

He pointed out that his government was determined to further increase the trade volume with Indonesia in the future as the two countries had great market potential.

Cooperation in the fields of economy, trade and technology between the two nations in the future should also be enhanced in keeping with the rapid economic growth in Asia and the Pacific in the current global economic era, Yongnian added.

China's imports from Indonesia in 1991 were worth 1.4 million U.S. dollars, he noted, adding that the volume was expected to increase by more than 10 percent in 1992 from various commodites including oil, rubber, palm oil and plywood.

According to the ambassador, the China's imports from Indonesia big because of the great market needs and the economic growth in china.

The head of the Chinese trade delegation to the Trend '93 Xie Zhao expressed the hope that the exhibition taking place up to November 4 would step up friendship and strengthen mutual understanding between the two countries.

Diplomat Urges Indochinese Refugees To Go Home

BK0211114392 Jakarta ANTARA in English 1026 GMT 2 Nov 92

[Text] Batam, Nov 2 (ANTARA) - Western countries have promised to take out hundreds of Indochinese refugees from the Indonesian island of Galang but hoped that most of them will return to their homeland in line with the improving socioeconomic situation in their countries of origin, a Dutch diplomat said here Monday.

Gerard J.G.C. Kramer of the Dutch Embassy in Jakarta said that the Netherlands will accomodate several hundreds of them, while the U.S. is likely to receive more.

Kramer was in Batam to gather information on the plan to develop Batam and its surrounding islands, including Rempang and Galang.

He said the comprehensive plan of action (CPA) scheme which is aimed at settling the problem of Indochinese refugees stipulates that those belonging to the screened-in category have the rights to be resettled in a third country.

"However, for those in the screened-out category who total around 12,000 to 16,500, we don't think we can do anything," he said adding that the Hague will stick to the CPA scheme.

Kramer was accompanied by diplomats from the British, German, New Zealand, the U.S., and Canadian embassies in Jakarta who together have visited the refugee camps on Galang Island.

According to Kramer, Western countries cannot accomodate too many Indochinese refugees because they still have to receive refugees from Eastern European countries, in particular Yugoslavia, which is suffering from a civil war.

"I believe it will be better if the refugees on Galang Island return to their countries of origin. After all, Vietnam, for example, has changed a lot today," he said adding that Western countries have channelled their assistance through the UNHCR, the UN body that deals with refugees.

He went on to say that young Vietnamese refugees on the island are likely to find employment when they return to their country which is now eagerly trying to carry out development activities.

Indonesia, he went on, apparently will not be able to accomodate them for too long in Galang as the island will in the near future be turned into industrial areas.

He acknowledged that while on the island they are in good condition due to Jakarta's serious attention.

"The camps in Galang are better than those in other regions," he said.

Suharto Meets Indian Army Chief 2 Nov

BK0211094692 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 2 Nov 92

[Text] Rodriguez, chief of the Indian Army Staff, accompanied by General Try Sutrisno, commander of the Armed Forces of the Republic of Indonesia [ABRI], paid a courtesy call on President Suharto at Merdeka Palace this morning. Gen. Try Sutrisno told newsmen that President Suharto briefed his guest on bilateral relations and the concepts of the Nonaligned Movement resulting from the recent nonaligned summit in Jakarta. President Suharto hoped that India and Indonesia, which initiated the Afro-Asian Conference and the Bandung Declaration, would enhance bilateral cooperation within the framework of South-South cooperation. In addition, the two countries should renew determination to build a new world based on peace and security to enable economic cooperation and improve the people's welfare.

Gen. Try Sutrisno said that cooperation between the two armed forces was an integral part of bilateral relations. In this regard, the two armed forces exchange visits by their personnel and officers. The two chiefs also briefed each other about the concepts of development for their respective armed forces and exchanged views on many issues.

According to the ABRI commander, the two countries in essence want to create peaceful and free zones necessary for economic development and the improvement of the welfare of the peoples of the two countries.

Planned Passage by Plutonium Ship 'Very Risky'

BK0311013292 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 3 Nov 92

[Text] General Try Sutrisno, commander of the Armed Forces of the Republic of Indonesia [ABRI], has warned that it will be very risky for the Akatsuki Maru ship carrying plutonium from France to Japan to pass through the Melacca Straits. Speaking to newsmen after accompanying Gen. Rodriguez, chief of the Indian Army Staff, for a courtesy call on President Suharto at Jakarta's Merdeka Palace yesterday, Gen. Try Sutrisno said that Indonesia had to ensure the security of every civilian ship passing through the straits, including the Akatsuki Maru. As the ship is carrying high-risk material, preventive measures must accordingly be taken to avert possible damage to the environment. However, the Armed Forces commander declined to specify the preventive measures to be taken by the Indonesian Navy against the Akatsuki Maru ship, which has a dead weight of 3,800 tons.

Minister, Muslim Scholars View Presidential Terms

BK0211093092 Jakarta ANTARA in English 0841 GMT 2 Nov 92

[Text] Denpasar, Nov 2 (ANTARA)—Minister/State Secretary Murdiono said that the term of presidency is not a matter of serving for how many terms as president but a question of selecting the best candidate for the office.

"From the very beginning, my view is for the selection of the best sons of the nation for the presidency and vice presidency," Murdiono said in reply to press questions after delivering a speech to the national conference of the muslimat (women) Nahdlatul Ulama [Association of Muslim Scholars] here on Sunday.

The question of limiting the term of the presidency has emerged again after the Indonesian Democratic Party proposed to limit it to only twice.

Nahdlatul Ulama [NU] General Chairman K.H. Abdurrahman Wahid, who also attended the opening of the muslimat NU conference remarked that a country like the United States had needed a long time before deciding to limit the presidency term.

The NU leader, more popular under the nickname of Gus Dur, said the U.S. needs a long period from 1776 to 1942 before feeling the need to limit the presidency term.

Asked if this means that the candidate can be elected repeatedly, Gus Dur commented that "if not as yet being limited, the consequence must be so."

Statistics Bureau Reports Increased Rice Output

BK0111105692 Jakarta ANTARA in English 1023 GMT 1 Nov 92

[Text] Jakarta, Nov 1 (OANA/ANTARA)—The production of rice in Indonesia in the first eight months of this year reached 39.7 million tons in the form of dry unhusked rice, an increase of about 8.18 percent over 36.6 million tons in the corresponding period of 1991.

According to data presented by the Central Bureau of Statistics (BPS), about 37 million tons or 93.14 percent of the national rice output during that period were yielded by irrigated ricefields and the rest came from rain-fed farmland.

Rice harvest on Java island during that period yielded some 24.6 million tons of dry unhusked rice or about 61.97 percent of the national output, while ricefields outside Java yielded the remaining 38.03 percent.

The rice production on Java island in the first eight months of this year increased by 0.64 percent compared with that in the corresponding period of 1991, while the rice output outside Java was down by 064 percent.

Viewed from the rice output in each of the existing big islands in the country, the contribution of Java to the national rice output in the first eight months of this year reached 61.97 percent, Sumatra 20.03 percent, Sulawesi 7.79 percent, Bali and Nusatenggara 5.14 percent, Kalimantan 4.92 percent, and Maluku and Irian Jaya 0.15 percent.

Rice harvest all over the country in the period of January to August this year reached 8.3 million hectares, expanding by about 8. 20 percent compared with that in the same period last year.

The productivity of ricefields has increased only by 0.25 percent from 43.65 quintals/hectare in 1991 to 43.76 quintals/hectare in the form of dry unhusked rice this year.

According to the Central Bureau of Statistics (BPS), the increase in the national rice production this year is due to the favourable climate and the success in coping with the spread of plant diseases.

Laos

Bokeo, Sekong Prepare for Assembly Elections

BK0311040692 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Nov 92

[Text] Political campaigns in preparing for the election of members to the Third National Assembly, which is scheduled to be held in the near future, have been continuously carried out in the provinces of Bokeo and Sekong, as well as in all other localities throughout the country.

According to reports from Bokeo Province, which are based on the provincial-level election preparatory committee, the population census throughout the province has been completed. Out of a total population of 100,977 citizens in Bokeo Province, 52,353 are eligible voters.

The province comprises five election zones in five districts making up a total of 117 polling units being 37 in Houai Sai District, 16 in Ton Pheung District, 13 in Meung District, 14 in Pak Tha District, and 37 in Pha Oudom District.

A total of four candidates are running for election in Bokeo Province. Of the number, three are from Bokeo Province and one from the central administration.

Meanwhile, according to reports from Sekong Province, political campaigns are being carried out at grassroots levels in all localities throughout the province. At present, Sekong Province has a total population of 64,091 citizens, including 33,717 women. Out of the total 64,091 citizens, more than 30,000 are eligible voters.

People Urged To Fulfill Rights in Election

BK0311104792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Nov 92

[PASASON feature on "the election of the Third National Assembly" entitled: "Let Us Correctly Fulfill Our Rights and Obligations;" date not given]

[Excerpts] Beloved listeners, the Constitution of our Lao People's Democratic Republic [LPDR] has set forth various fundamental rights and obligations of our Lao citizens. It is believed that all you listeners have come to understand those rights and obligations, because they have been widely publicized under many forms and methods. The Constitution of our LPDR has precisely defined that the state, meaning the LPDR, protects the legitimate rights and interests of Lao citizens residing abroad, that aliens and persons having no nationality also maintain the right to have their rights and freedom protected by provisions of laws of the LPDR, and that they have the right to lodge petitions with courts or other organizations of the LPDR and maintain obligations to respect the Constitution and laws of the LPDR. These fundamental rights and obligations as stipulated in the Constitution have been additionally defined in detail in various specific laws, rules, and regulations. [passage omitted]

Beloved listeners, in the next one or two months, an election of members of the Third National Assembly will be held. All Lao citizens who are 18 years or older and who maintain full qualifications are therefore urged to correctly execute their rights and obligations in accordance with provisions of the laws. This means that they are requested to uphold their spirit of responsibility in implementing their rights. In this regard, they must check and ensure that their names are registered and included in the lists of eligible voters at polling stations. If their names are not on the rosters of eligible voters, they must request to the committees in charge of their respective polling stations to have their names registered and added to the rosters. For eligible voters who have to move or transfer to work in other areas, they must report the matter to headmen of villages where their names are registered to get a certificate or identification to show to new polling stations where they can cast their votes.

In addition to implementing other rights and duties, the committees in charge of polling stations have to encourage and guide everyone to comply with the election law. As for eligible voters, in addition to collecting and following up news about candidates running in the election to see if they maintain full criteria and who among them are more qualified, they must uphold the spirit of fulfilling their rights by electing candidates whom they see as most appropriate to be members of the Third National Assembly. They should vote for candidates who maintain patriotic spirit and the spirit of cherishing the popular democratic system so that they can fulfill their tasks as members of the National Assembly, and who maintain a certain level of knowledge about the line and policies of the party and laws of the state and maintain experiences and capabilities in putting them into practice. The candidates who should be elected must also gain the trust and respect of the people and maintain good health. These criteria are stipulated in Article 7 of the Law on the Election of the National Assembly dated 14 August 1991.

The National Assembly is a legislative organization which has the duty of endorsing various laws and has the right to make decisions on fundamental issues of the country. It also acts as an organization which supervises activities of the administrative organization, meaning the government, and the judiciary organization, meaning the public prosecution organization and people's court. Therefore, the more extensively our Lao citizens correctly execute their rights and obligations in accordance with the regulations and law in this election, the stronger our popular democratic republic system will become.

Deputy Premier Gives Briefing on ADB Projects

BK0211041292 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 29 Oct 92

[Text] Yesterday morning Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance, welcomed and gave a news briefing to a group of foreign reporters who were on a visit to the Lao People's Democratic Republic [LPDR] under a program of the Asian Development Bank [ADB]. The visitors were accompanied by Mr. [name indistinct], an ADB official who was in charge of taking care of the foreign reporters.

The visitors included newspapers and radio correspondents from Australia, Canada, the People's Republic of China, Germany, India, Japan, Switzerland, England, and the United States.

Khamphoui Keoboualapha informed the foreign reporters of the LPDR Government's direction and policy of renovation, especially in the field of economic development. He pointed to the areas of economic, cultural, and social development in the LPDR, which are under the project of assistance and loans from the ADB. The major ADB-funded projects included the construction of transport routes and a hydroelectric power plant. He noted that the LPDR Government has spent such assistance and credited funds from the ADB in each field in a considerably efficient manner.

Furthermore, Khamphoui Keoboualapha also informed the international press on the progress of the country's socioeconomic development in line with the LPDR Government's policy of expansion of foreign investment in Laos during the renovation period.

On this occasion, the Lao deputy prime minister highly valued and expressed appreciation for the visit to Laos by the international correspondents so they would be able to further publicize information on economic development in Laos to other friendly countries.

Leaves for Sydney Investment Forum

BK0211113792 Vientiane KPL in English 0905 GMT 2 Nov 92

[Text] Vientiane, November 2 (KPL)—A Lao PDR [Lao People's Democratic Republic] delegation led by Mr. Khamphoui Keoboualapha, vice prime minister and minister of economy, planning and finance, on November 1 left for a Lao foreign investment opportunities forum for Asian and Pacific investors in Sydney, Australia.

The forum is held under the cooperation between the Governments of Laos and Australia and UNDP [United Nations Development Program] to promote foreign investment in Laos. It represents a good opportunity for the Lao Government to make foreign investors understand more about its policy of investment.

Lao investors from more than 10 private companies joined the government delegation to the forum. They will have a chance to meet foreign investors from (?other) [word garbled] companies in the Asian and Pacific region to discuss matters and reality of investment oppotunities in Laos.

Japan Gives Aid for Water Supply Expansion

BK0111145392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Oct 92

[Text] A ceremony was held at the Foreign Affairs Ministry to sign an exchange agreement on gratis aid of 290 million yen or an equivalent of U.S. $2.4 million from the Japanese Government to the Lao Government for improving and expanding the water supply system at Chinaimo. Souban Salitthilat, Lao deputy foreign affairs minister; and Shigemi Ando, Japanese ambassador extraordinary and plenipotentiary to Laos, acting on behalf of the governments of the two countries, signed the agreement in the presence of a number of officials concerned from the two sides.

The expansion of the Chinaimo water supply treatment plant will be carried out between 1993 and 1995 to increase its production capacity to 40,000 cubic meters per day. A new water main will be laid from Chinaimo to Tha Deua in Hatsaifong District. A reservoir will be built to supply water to up to 400,000 families.

The aid will be given in installments until the completion of the project.

Science Delegation Leaves for Bangkok Conference

BK0211115292 Vientiane KPL in English 0907 GMT 2 Nov 92

[Text] Vientiane, November 2 (KPL)—A (?53)-member delegation of Lao scientists, led by Science and Technology Minister Dr. Souli Nanthavong, on November 1 left for the second scientific conference scheduled for November 2-6 in Bangkok, Thailand.

The theme of the conference is 'Environment, Science and Technology, The Challenges in the 21st century.' The holding of this scientific meeting was also to mark the 60th birthday of the queen of Thailand.

The Lao delegation to the conference as invited by HRH [Her Royal Highness] Princess Dr. Professor Chulaphon, president of the Chulaphon Research Institute of Thiland.

Philippines

Romulo Says U.S. Ties To Be Maintained

HK0311023992 Quezon City MALAYA in English 3 Nov 92 p 1

[Report by Carlito Pablo]

[Text] The Philippines will continue to seek "mutually beneficial relations" with the United States regardless of the outcome of U.S. presidential polls tomorrow (Nov. 3 in the U.S.), Foreign Affairs Secretary Roberto Romulo said yesterday.

"Regardless of who wins the elections, the Philippines and U.S. has to enhance its mutually beneficial relations, particularly in trade and economics," Romulo said.

Romulo refused to comment when asked if he sees changes in RP [Republic of the Philippines]-U.S. relations should Democratic candidate Bill Clinton win or if President George Bush is reelected. "I would rather not answer that until tomorrow," he said.

Romulo was apparently trying to soften possible adverse reactions from the Republicans over published reports which said the Ramos administration favors a victory for Clinton over Bush.

The report quoted confidential papers from foreign affairs officials who feel a Clinton victory would repair RP-U.S. relations damaged as a result of the rejection of the U.S. bases treaty in 1991.

U.S. Embassy spokesman Morton Smith said Bush and Clinton hold "very, very similar views" on RP-U.S. relations during the post-bases period and said the Mutual Defense Board Review scheduled this week in Manila will go an as planned.

Senators said the board will discuss the issue of granting U.S. forces access to their former military facilities after their pullout on Nov. 24, but defense officials have denied this.

A wire report from the U.S. Information Service quoted Democratic Sen. Jeff Bingaman as telling the Washington chapter of the American Defense Preparedness Association that Clinton intends to keep the U.S. "by far the most capable military power in the world."

Ramos To Work With 'Any American President'

HK0311035292 Manila MANILA STANDARD in English 3 Nov 92 p. 6

[Report by Marichu Villanueva]

[Text] President Ramos said yesterday that he can work with any American President who will win in the Nov. 4 presidential elections in the United States, and expressed hope for the victory of a Filipina-American candidate, Gloria Ochoa, a Pangasinan native, for a U.S. congressional seat in California.

Speaking for the President, Press Secretary Rodolfo T. Reyes said that Mr. Ramos is "not taking sides" in the stiff race for the U.S. Presidency between incumbent President George Bush of the Republicans and former Arkansas Gov. Bill Clinton of the Democrats.

"He (Mr. Ramos) is not taking any sides because he (Mr. Ramos) feels that he can work with any (U.S.) administration," Reyes told Standard over the telephone.

"I don't think it is prudent to take sides," Reyes pointed out.

Reyes denies press reports, not by the Standard, that the Ramos administration had cast its lot with the Democratic challenger based allegedly on documents from the Department of Foreign Affairs (DFA).

"Apparently, that report could be a leak from the DFA, but there is no such thing," Reyes swore.

According to the alleged document, the Philippine government was discreetly supporting the Clinton presidential bid, in the hope that a victory by the Democrats would help "repair or normalize RP [Republic of the Philippines]-U.S. relations following the rejection of the military bases treaty."

"I don't think we have that kind of money to support any U.S. presidential candidate," Reyes said.

Nonetheless, Reyes said the Filipino nation will give its "moral backing" to Ochoa, a Filipina-American Democrat candidate vying for a seat in the U.S. House of Representatives for the 22nd congressional district.

"We would like her (Ochoa) to win, because it's about time to galvanize the Filipino expatriates behind our own people," Reyes said. "I'm sure that the President will be happy to see a Filipina-American win, to prove that the Filipinos can get their acts together by backing our own compatriot."

The press secretary conceded that a victory by Ochoa will give "some kind of leverage" for the Filipino community in the U.S. as a political constituent.

Ochoa, 47, is pitted against the Republican candidate, multi-millionaire ex-Texan oilman, Michael Huffington.

Ochoa, a Pangasinan provincemate of Mr. Ramos, migrated to the U.S. at the age of 18 and had held various public offices before winning the Democratic Party nomination last June. Of the 300,000 registered voters in Ochoa's district, only 7,500 are Filipino-Americans.

Military Access Not on Agenda for U.S. Talks

HK0311090292 Hong Kong AFP in English 0819 GMT 3 Nov 92

[Text] Manila, Nov 3 (AFP)—Defense Secretary Renato De Villa denied here Tuesday that the Philippines would discuss an extension of U.S. access to local bases in regular bilateral military talks scheduled here later this week.

"We will not discuss access," De Villa told reporters ahead of the Philippine-U.S. mutual defense board talks on Friday.

The talks are regularly scheduled discussions under a mutual defense agreement signed by the two countries in 1951.

It is widely speculated here that the government of President Fidel Ramos will discuss allowing U.S. military access to Subic Naval Base after the lease for all U.S. facilities in this former colony runs out at the end of the year.

Earlier, Philippine officials said that if any U.S. troops remain in the country after 1992, it would have to be under the conditions specified under the 1951 agreement.

De Villa's denial came after members of the Philippine senate, which rejected a new 10-year base treaty last year, expressed opposition to any access arrangements.

Defense Minister Sees Increase in Guerrilla Activity

HK0311090392 Hong Kong AFP in English 0831 GMT 3 Nov 92

[Text] Manila, Nov 3 (AFP)—Philippine Defense Secretary Renato De Villa said here Tuesday that communist guerrillas were preparing to step up attacks in a show of strength ahead of formal peace talks with the government.

He also said that the talks would be "a long and tedious process," adding that "we have no illusions that it will be easily accomplished."

Speaking before businessmen, De Villa said that "as the prospect for peace advances, the intensity of conflict heightens," since both sides would want to negotiate from "a position of strength."

He said that the communist insurgent New People's Army (NPA) had given orders to their guerrillas for an "intensification of ambuscades," but did not say what the military was doing in response.

De Villa however said that the ranks of the NPA had dwindled to about 13,320 from a high of 25,000 guerrillas in 1987.

President Fidel Ramos has sent emissaries to the NPA's Netherlands-based political leadership, offering to open peace negotiations with them although the conditions for the talks are still being discussed.

The head of the government's body overseeing the peace efforts meanwhile announced Tuesday that Manila had refused to enter into an agreement with the communist insurgents on protection of human rights ahead of a peace settlement, saying it would grant the insurgents co-equal status.

Law professor Haydee Yorac said the communists proposed the agreement in order to gain a status of "belligerency." She told a press forum that only armed groups which permenently control territory are entitled to such status. The NPA does not maintain a permanent base, waging Maoist-style mobile guerrilla warfare since 1969.

The Netherlands-based National Democratic Front (NDF), political umbrella of the NPA, has agreed to enter into formal peace negotiations with the Manila government and proposed the human rights agreement as part of the process.

But Yorac said the agreement, which would govern treatment of war prisoners, conduct toward civilians and other issues, was a ploy to obtain belligerent status and this was "simply not acceptable" to the government. "The assumption is that two sovereign powers are dealing with each other," she said.

The rebels accuse government forces of torture, summary executions and illegal detention, but officials say the insurgents have committed atrocities as well, including attacks on uncooperative villagers and bloody internal purge of its members and supporters in the 1980s.

Communist Rebel Leader Meets With NUC

HK0311012692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 2 Nov 92

[Text] New People's Army leader Gregorio Rosal, alias Comrade Roger, has recently met with the National Unification Commission [NUC] in Lucena City. The report was made after Comrade Roger said he will submit counterproposals for the organized peace negotiations. Some of Rosal's proposals included ending military operations, granting amnesty to all imprisoned rebels and political detainees, and enforcing true agrarian reform.

NDF Response on Peace Talks Issue Awaited

HK0311021492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 2 Nov 92

[Text] The National Democratic Front [NDF] has not responded to the Ramos administration's formalization of the issues agreed on by the NDF and the government in the Netherlands. This is related to the planned peace talks between the two sides. Although the National Unification Commission added new issues to the agenda agreed on by Jose Maria Sison of NDF and Congressman Jose Yap of the government, the NDF still has no reaction to it.

Task Force Provides Latest Mt. Pinatubo Update

HK0111021692 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 31 Oct 92

[Text] A total of 932 people have died and more than P8 billion [Philippine pesos] worth of damages have been incurred from the Mt. Pinatubo eruption. This was reported by the Presidential Task Force on Mt. Pinatubo. Reports indicate that more than 1 million people in Central Luzon have been affected by volcanic eruptions, which is said to be the worst disaster in the century.

'Debt for Aid' Project Benefits Victims

HK0211035992 Manila MANILA BULLETIN in English 2 Nov 92 p 2

[Report by D. M. Siytangco]

[Text] Camp O'Donnell, Tarlac—The First "Debt for Aid" project in the world, a permanent resettlement community for Mt. Pinatubo victims, has been rated "very impressive" by French Deputy Foreign Minister Georges Kiejman.

Kiejman, whose government condoned some $5 million worth of debt papers of the Philippines for the resettlement project in a "humanitarian response" to the "immense problems" of the country, toured the project with Public Works and Highways Secretary Jose de Jesus, French ambassador Olivier Gaussot and Bernabe Buscayno, provincial coordinator for the Pinatubo Task Force.

The French visitor was welcomed to the site by former president Corazon Aquino whose administration worked out the "debt swap" program, Tarlac Gov. Margarita Cojuangco and Concepcion Mayor Fred Avena.

The project covered by the French donation will house over 2,000 families, mostly from four lahar-buried barangays in Concepcion, Tarlac. Kiejman also inaugurated a farm school funded by a French non-governmental organization in the area.

"I am happy that the farm school will train youngsters in their area so that they will not have to go to the urban cities where they will only add to the poverty there," Kiejman observed.

The French official also expressed the hope that other members of the Paris Club, debtor countries of the Philippines, will follow his government's example and explore ways to help out through "debt for aid" projects.

"I cannot speak for any of their governments," Kiejman said, "but I can only hope that some of them will follow our example. The French government undertook this project as our humanitarian and emotional response to the tremendous problems your country has. We are aware of the many difficulties the Philippines has to bear and this is one way we can help."

He stressed that the French government had always been sympathetic to the Philippines and in several instances had taken a "formidable stance" for the country in the Paris Club.

Mrs Aquino said that with such an approach to the debt burden of the country, more people can be helped.

"The government does not have to send out the much-needed foreign currency and the country benefits by the development such projects bring to the countryside," she added.

The French official said that while his government would not want to have "control" over how the money from the "Debt for Aid project" was being spent, he said that "on the French side, we would want to be an active participant in the use of the money by the Philippine government."

He observed that the French government's participation in the resettlement project had also helped the "credibility" of the Philippine government's efforts in the rehabilitation of the evacuees in the European Community [EC].

Buscayno, in his briefing for the French official, said that the community welcomed the help of foreign friends.

"This project is a concrete example of how government and people can truly work together," Buscayno said. He added that the lahar was being used by the residents in their hollow block project for housing units. A bag of cement and lahar produces eighty blocks while the same amount of cement and sand will make only 50 blocks.

Kiejman also pledged P1 million [Philippine pesos] to the Ninoy Aquino Foundation upon learning from Mrs. Aquino, who hosted a late lunch for him at the Hacienda Luisita, that she was raising funds for water wells for the resettlement project.

She also informed him that the first non-governmental organization she was helping, the Piso't Puso ng Tarlac (A peso and a Heart of Tarlac) will hold a two-day bazaar in Tarlac, Tarlac on Nov. 7 and 8 to raise additional funds for the livelihood projects of the people in the resettlement areas.

De Jesus took the deputy minister to the lahar-covered areas and showed him the dredging work being undertaken by the DPWH [Department of Public Works and Highways].

Other European Community countries are also helping out in the resettlement area. A medical clinic here is staffed by three Belgian doctors and the EC has been providing free medicines.

Thailand

Clinton Election Seen Affecting Stock Investment

BK0311022592 Bangkok BANGKOK POST in English 3 Nov 92 p 17

[Text] Long-term investment in the Stock Exchange of Thailand [SET] will be affected if Bill Clinton wins the United States presidential election, financial analysts say.

In a recent survey of analysts' views, they said Mr Clinton's economic and political policies would affect long-term investment in Thai shares.

Many analysts believed various polls conducted in the United States showed Mr Clinton would win the election.

Thana One Finance and Securities Ltd managing director Sukhum Singarawanit said the result of the election would affect the whole market but not in the short-term because investors would wait for a clear picture of Mr Clinton's policies.

Mr Clinton has placed strong emphasis on domestic economic issues during the campaign. Analysts believe that means his policies will affect Thailand's exports, which would in turn affect the long-term performance of many companies on the stock market.

Asia Securities Trading Co international marketing department director Udomsak Chakkriyawanit said the election would not have much direct effect on the SET but believed the stock market index would drop slightly as a result of possible corrections in major international stock markets.

Dr Udomsak also believed Thailand's exports would be affected in the long term.

"The effect will be more-or-less psychological, as investors have already seen the trend that Clinton will win the election and the effects will be felt in this country," he said.

Nava Finance and Securities Co executive vice president Niwes Hemwatchirawarakon said the effect of the election had already been discounted in the market, since investors had already been informed of the likely result by many polls.

Dr Niwes said statistics showed the indices in many stock markets would drop if the Democrat wins the election.

Adkinson Securities Ltd research manager Chaiwat Ekkarotrat agreed a Clinton win had already been discounted, so the short-term effect would be minimal in Thailand. But it was likely that Thai exports would be affected in the long run because of changes to US international trade policy.

Officials on U.S. Economic Ties if Clinton Wins

BK0311044392 Bangkok THE NATION in English 3 Nov 92 p B1

[Text] What is the future for Thai-US economic relations if Bill Clinton is elected president of the US?

This is a simple question that is on the lips of most Thai businessmen and officials as they watch the final lap of the US presidential election. Most polls so far indicate a Clinton victory. Although a Clinton presidency might sound unfamiliar, it is increasingly possible that the governor from the small state of Arkansas will walk into the White House as the first Baby Boomer president. If that is the case, what is the stake for Thailand?

Clinton has stated that his main economic policy is to revive the sagging US economy by increasing government spending on education training, public infrastructure and research. Although these programmes will be costly given the constraint of the ballooning US budget deficit— they could in the long run lay down the foundation of growth in US productivity. If the US economy grows robustly, it will continue, more vigourously, to absorb Thai exports. Last year Thai exports to the US market hit Bt [Thai baht] 154.30 billion, or 21.3 per cent of the total export value.

Clinton is not, in the short term, a favoured candidate. As a Democrat, Clinton will be more willing than his Republican counterpart to use restrictive trade policies to curb the flood of cheap imports that have driven US industries out of business. Most protectionist trade legislation has been authored by Democrats, who control both the Senate and the House of Representatives. Apart from restrictive trade measures, US industries are expected to lobby hard for the new administration to squeeze US trading partners for intellectual property rights protection.

"Whoever is the next US president, he will seek to get more out of intellectual property rights. Looking far ahead, the US understands that technology will hold an edge in trade and commerce. Here intellectual property rights protection comes into play. They will push hard for it," says Phatchara Itsarasena, permanent secretary of the Commerce Ministry.

Clinton has shown that he willing to listen. He has run on an economic platform as a moderate. His economic advisers realize the force of globalization and the need for American industries to improve worker training and to produce goods that the world markets will buy. The stakes are too high for Clinton to ignore economic independence and to resort to protectionism. His challenge is to stand up to the interest groups, the main political base of the Democrats.

"Although there is some concern that the US will become more protectionist if Clinton is elected, trade and investment of US industries in other parts of the world, including Asia, is so important that it is too simplistic to take that view and ignore that trend," says Bob McCabe, the country manager of Bank of America.

The fears are psychological. Sukhum Singarawanit, managing director of Thana One Finance and Securities Co, also asserts that the Clinton presidency will cast a psychological impact on the Thai industries.

It all comes down to American voters who will go to the polls today to pick their president. They might change their mind in the last minute and play it safe with Bush, or they might opt for change by going for Clinton. Anything can happen.

Envoy to U.S. Comments on Drug Patent Issue

BK0211020392 Bangkok THE NATION in English 2 Nov 92 p B12

[Text] Washington, DC—The government should find a way of compensating local companies as well as individual Thais affected by tightening of the patent law on pharmaceutical products, according to M.L. Phiraphong Kasemsi, the Thai ambassador to the US.

Phiraphong, in an interview with THE NATION at the Royal Thai Embassy in Washington DC, said estimates of the financial damage to local drug companies and domestic buyers resulting from adequate pharmaceutical patent protection amounted to "only about Bt3.5 billion, which can be financed from the government's huge fiscal surplus."

"This (Bt3.5 billion) is not that large an amount compared to the overall budget," Phiraphong said.

He proposed that, since the government already provides two of the three main essentials of health care, it should also offer the third.

"The government already provides hospital buildings and the necessary doctors and nurses," he said. "Why not also provide the drugs to completely assist the health care of the Thai people?"

Phiraphong's comment was partly a response to the ongoing disputes over intellectual property rights (IPR) protection between the Thai government and American pharmaceutical manufacturers, who have been voicing their demands through the office of the United States Trade Representative.

As a consequence of what was deemed "inadequate" patent protection on pharmaceutical products, Thailand on Oct 10 stayed on the USTR's "priority foreign country" (PFC) blacklist for possible trade retaliation.

Since it already had been placed on the PFC list several months ago, the Thai government feared that another round on the blacklist would bring retaliatory measures from the USTR including the removal of low-tariff benefits on a number of Thai goods as designated under the US' Generalized System of Preferences (GSP).

But while it retained Thailand on the PFC list last month, the USTR spared punitive trade measures for the time being, citing that Thailand has had to endure four changes of government in less than two years and that the newly-elected Chuan government should be given breathing space to settle the patent dispute.

"This is a grace period for Thailand," said Mark Grayson, assistant vice president of the American Pharmaceutical Manufacturers Association (PMA), the Washington-based lobby that originally filed a petition against the Thai government to the USTR. He added in a phone interview with THE NATION that he is unaware of how long the grace period will last.

According to Grayson, the PMA in the past faced similar patent protection problems in Argentina, Brazil, Mexico, and South Korea. But these countries eventually succumbed to American demands, and legislated adequate law to protect drug patents.

The disputes over pharmaceutical patents have revolved around two technical issues, called in official parlance "pipeline protection" and "compulsory licensing."

Representing the interests of American drug companies, the PMA argues that drugs that are "in the works" and that have been patented in the US should be given patent protection in the Thai market.

These drugs, which have to await a rigorous approval process in the US that can take up to 10 or more years, are often copied and sold in foreign markets prior to their official market introdution.

"There are some drugs that come out in Thailand before they're even available in the US because of the approval process here can take so long," Grayson said.

While it wants pipeline protection the PMA wants to do away with the Thai government's law of compulsory licensing, which mandates that certain US drugs be "licensed" to domestic Thai pharmaceutical companies for production.

"We don't agree with compulsory licensing because the company that develops the drug doesn't get enough out of it," said Grayson, adding, "we also don't believe in compulsory licensing because it doesn't encourage the local industry (in Thailand) to develop."

On the other hand, Phiraphong said the Thai position is that these two sticking points are not considered urgent and that they are being dealt with in the Uruguay Round of multilateral trade negotiations.

Grayson countered that the PMA is "continuing on a course it started a few years ago," not "sitting there and waiting for the Gatt" to conclude witl laws requiring a more stringent patent protection.

"The US wants to have concession (from Thailand), so that they can get a multilateral result," said Phiraphong referring to the alleged American tactic of exacting enough bilateral concessions to use as a basis for a multilateral agreement.

On pipeline protection, also known a "transitional" protection, Phiraphong said it is most difficult to introduce legislation on drugs which are patented in the US, but which are still remote from the Thai market.

"There are some pharmaceuticals that have never entered Thailand, and the US wants protection for them," he said. "Our patent protection has been difficult because we don't have the experience in protecting pharmaceuticals."

According to Phiraphong, compulsory licensing, also called the "exceptions" clause, is essential for Thai pharmaceutical consumers. The crux of this issue is that the US government wants to "minimize" our requirements for certain drugs to be licensed to Thai producers, he said.

"If we grant all of (the rights to produce pharmaceuticals) to the US (American companies) will have an unfair advantage," Phiraphong added, alluding to the complete control of production, distribution and marketing by American companies if no licensing to Thai companies is permitted on certain drugs.

Although he noted that these two issues are being worked-out in Gatt and that Thailand should stand by its position, Phiraphong's suggestion that Cabinet subsidize Thai companies and consumers seems to underscore his view that a more adequate patent protection eventually has to be put in the legal pipeline.

Asked about the ramifications from stricter pharmaceutical patent protection on Thais who are ill and can ill-afford the consequential higher drug prices, Grayson skirted this conventional argument of developing countries.

A good patent protection will urge the local drug industry to get going and to become better producers of pharmaceuticals." he said, adding that the PMA estimate for the loss of inadequate patent protection on the Thai market is US$60 million (Bt1,500 million).

"Right now no foreign pharmaceutical companies want to invest in Thailand because there's no adequate patent protection."

Government Ready To Help UN Prod Khmer Rouge

BK3110044492 Bangkok THE NATION in English 31 Oct 92 p A2

[Text] Thailand is ready to comply with any UN resolution to prod the Khmer Rouge back into the much-delayed peace process in Cambodia, Foreign Ministry spokesman Sakthip Krairoek quoted minister Prasong Sunsiri as telling his ASEAN and European counterparts in Manila.

Prasong's statement came on Thursday after a last-ditch effort by Thailand and Japan failed to convince the Khmer Rouge to comply with the UN-sponsored peace agreement.

Prasong was in Manila to attend a two-day ministerial meeting of the ASEAN and European Community set to conclude yesterday.

Sakthip said the minister also briefed French Deputy Foreign Minister George Kiejman, during their bilateral session on the outcome of the meeting among Thailand, Japan, and the Khmer Rouge in Phnom Penh on Thursday.

The envoys agreed that France and Indonesia as co-chairmen of Paris International Conference on Cambodia (PICC) should continue efforts to tame the Khmer Rouge before the Nov 15 deadline for the Khmer Rouge to comply with the UN peace plan, Sakthip said.

The United Nations had given Thailand and Japan until today to pursue joint efforts to induce the Khmer Rouge to enter the disarmament and cantonment phase of the UN plan. The Khmer Rouge has refused to join the peace efforts since June. France and Indonesia were also asked to work out a solution if Thailand and Japan failed and report to the UN secretary general.

The secretary general has until Nov 15 to pass the decisions on to the UN Security Council which will decide on further action if the Khmer Rouge continue to resist.

Meanwhile Foreign Ministry deputy spokesman Rawi Hongpraphat said Thailand and Japan would now let the UN and Cambodian people spearhead any efforts to persuade the Khmer Rouge to enter the peace process. "Thailand and Japan have done their best and it is now up to the UN and Cambodian people to find ways to solve the conflict," Rawi said.

Thailand and Japan were very disappointed with the Khmer's lukewarm response to the new proposal which they thought adequately addressed the faction's two key demands—the strengthening of the Supreme National Council (SNC) and an assurance of transparency in the UN supervision of the existing administrative structure in Phnom Penh, a source said.

"We were disappointed that the whole thing seemed be back to square one," a source close to the tripartite meeting [said] on Thursday.

He said Khmer Rouge did not indicate whether they would accept the Thai-Japanese proposal but kept reviving previous demands for UN verification of Vietnamese troops and settlers.

Instead, the Khmers called for a common understanding of the real situation in Cambodia by parties concerned and their willingness to correct the situation before initiating any healing measures, the source said. The statement was apparently directed at the UN Transitional Authority in Cambodia (UNTAC) which has been accused of siding with Phnom Penh.

However, he did not rule out the possibility that France and Indonesia may use the Thai-Japanese proposal as a basis for further negotiations.

France and Indonesia have planned to call an urgent meeting of the SNC in Beijing on Nov 7 and 8 to discuss the latest developments in Cambodia. But, according to the source, a lot of uncertainties have cropped up after the Thai-Japanese brokered talks failed.

ROK Army Chief Urges More Regional Cooperation

SK0311015992 Seoul YONHAP in English 0103 GMT 3 Nov 92

[Text] Bangkok, Nov. 2 (YONHAP)—A South Korean general said Monday that Korea should strengthen military cooperation with Japan and other Asian countries to maintain peace in the region and promote mutual interests.

Army Chief of Staff Gen. Kim Chin-yong, winding up a two-week tour of Southeast Asia, said that there was a high possibility for Korean military contractors to branch into the region with the transfer of technologies.

His visit was aimed not only at helping consolidate existing military cooperation with regional countries but at selling their military leaders on the superiority of Korea's defense industry, Kim said.

"Most Southeast Asian countries showed a keen interest in the Korean defense industry and Malaysia, for instance, hopes to import Korean-built armored personnel carriers on condition Korea transfers technology, while Thailand wants ammunition," Kim said.

Japan was unable to provide Korea with sophisticated weaponry under a technology transfer condition set forth by the United States, but it wanted to strengthen military cooperation in areas of manpower exchanges, he said.

On the reported arms race in Southeast Asia since the end of the cold war, Kim evaluated it as fundamentally for self-defense.

He visited Japan, Indonesia, Singapore, Malaysia and Thailand.

Chuan Says Party Antigovernment Vote 'Normal'

BK0311034192 Bangkok THE NATION in English 3 Nov 92 p A3

[Text] Prime Minister Chuan Likphai yesterday described as normal the Social Action Party voting in favour of an Opposition's proposal last week to set up an ad hoc committee to review the Anan Panyarachun administration.

"Judging from my 20-year parliamentary experience, similar cases can arise at any time," Chuan told a meeting of senior ministerial officials yesterday after a question was raised by Permanent Secretary for Defence Suwit Chantarapradit.

Suwit had expressed worry over the SAP's support for the Opposition's proposal and asked Chuan to comment on the issue.

Chuan said politics was not like the armed forces where there was discipline. He added that the government sometimes felt "uneasy" when some politicians commented on certain issues. But they had the right to air their own opinion.

Last Thursday, the Parliament rejected by 153 votes to 132 the proposal to review the administration of the Anan government even though all 22 Social Action MPs voted for the proposal.

Chuan said after the session was over that he would not consider it a serious matter that a partner in government did not toe the line of the government whip committee to vote against the measure. He added that the chairman of that committee should conduct a post mortem of the event to prevent a similar incident from occurring.

However, Chuan said yesterday politicians could not be ordered to march in step.

Direct Election of Provincial Governors Urged

BK0311040592 Bangkok THE NATION in English 3 Nov 92 p A6

[Editorial: "Provincial Governors Should Be Elected Wherever Possible"]

[Text] The Phalang Tham's persistent call for gubernatorial elections in urbanized provinces outside Bangkok is creating a growing rift inside the Chuan coalition government. Premier Chuan Likphai yesterday virtually told the third largest government party to toe the line, though he did not name the party directly.

Phalang Tham has the support of the Solidarity Party, together they account for 55 of the coalition's 207 votes in the 357-member House. Without them, the Chuan coalition would lose its majority vote in the House and have to coopt a major partner—either Chat Phatthana (60 MPs) or Chat Thai (77 MPs)—to stay in power. These two major opposition parties must be heartened to see the Chuan coalition getting into trouble so soon.

Premier Chuan's Democrat Party sees eye to eye with its second largest partner, the New Aspiration Party (NAP), over the need to take time to cautiously study all the pros and cons of electing provincial governors. NAP leader Interior Minister Gen Chawalit Yongchaiyut, for one, seems to have had some second thoughts about this issue—though his campaign platform was clearly in favour of turning the governorship of every province into an elected post as soon as possible in order to speed up democratization.

Delay tactics last week Chawalit set up a committee to study the issue, but the committee is dominated by senior officials from the Interior Ministry and is headed by Interior Permanent Secretary Anan Anantakun, who is known to oppose the idea. The Interior Ministry says people in most provinces are, unlike the relatively better-off people in Bangkok, "not ready" for the direct election of their provincial governor.

Moreover, the Interior Ministry likes to point out that most of the provinces would become insolvent if they had to pay for their own government personnel and public projects. Only Ubon Ratchathani, Nakhon Ratchasima and Nakhon Si Thammarat managed to collect more than Btl30 million in revenues last year; whereas the revenues in Chiang Mai, Chon Buri, Samut Prakan, Surat Thani and Udon Thani ranged between only BtlO0-130 million.

However, the "poverty" of the provincial governments is largely due to the existing tax structure which sucks revenues from the provinces into the national coffers in Bangkok. The tax structure can be adjusted to permit the provincial governments keep a larger part of the revenues. Otherwise even the Bangkok Metropolitan Administration has to rely on a subsidy from the Interior Ministry; in the last fiscal year the subsidy reached nearly Bt2 billion.

Another often heard excuse used by opponents of the idea is that gubernatorial elections may install in power chao pho (reputed crime bosses) or their surrogates who will turn their provinces into political strongholds and safe havens for the outlaws they employ. But the fear of chao pho taking over a province must not be exaggerated. No chao pho is foolish enough to expose himself to public scrutiny. Setting high qualifying standards for gubernatorial candidates, which may include a rigorous tax audit and a college degree, could easily discourage or disqualify many chao pho and their men.

At present, most chao pho are quite happy with their behind-the-scenes role in backing major political parties during general elections. They need not stand in any election because they can lean on the governor and the police through their political parties, whose members may sometimes hold Cabinet posts in the Interior Ministry.

In the past, some provincial governors were no better than chao pho in the way they served their provinces. Their primary concern was to placate their bosses in Bangkok. Thus, one of the arguments for gubernatorial elections is that even chao pho will have to curry favour from the voters, whereas appointed governors can virtually ignore them.

Yet another excuse to avoid these elections is that they could undermine the unity of Thailand by creating regionalism and rebellious provinces that refuse to submit to the central government in Bangkok. Regionalism could become a problem only in the four Muslim-dominated southern provinces. Still, the prospect of having Muslim governors in the four provinces should be seen as a welcome development as they would tend to have a better understanding of the majority Muslim populace and could thereby stamp out the smouldering separatist sentiments for good.

The Chuan administration deliberately kept its policy on this issue vague. While it openly advocates the decentralization of government power (through the registration of tambon councils as independent legal entities capable of making contracts and decisions on local community development projects), its policy statement merely pledged to support the election of administrators at all local levels. The vague pledge may not necessarily mean government support to the idea of electing provincial governors like the Phalang Tham is demanding.

While the government may have a case in arguing that most of the provinces are not ready, it has no excuse for not pursuing the idea of holding gubernatorial elections in the more urbanized provinces that are ready, such as Phuket, Nonthaburi and Samut Prakan. The way the interior minister and his men are dragging their feet on this issue tends to suggest that the Interior Ministry's real fear is that it may have to give up some power, not that provincial people are not ready for electing their own governors.

'Rift' Over Provincial Elections Grows

BK0311052192 Bangkok THE NATION in English 3 Nov 92 pp A1-A2

[Text] The rift within the coalition government over whether to elect provincial governors began to widen yesterday when the Phalang Tham Party announced plans for a draft bill and Prime Minister Chuan Likphai criticized his partner for failing to follow coalition policy.

The prime minister made the comment following reports that the Phalang Tham Party has stepped up its campaign for the election of governors in certain provinces, one of its campaign promises.

Phalang Tham has launched an opinion survey in Nonthaburi and Samut Prakan provinces to gauge voter reaction to the election of governors. It has also reportedly lobbied New Aspiration Party deputy leader Wira Musikaphong and Democrat secretary general Sanan Khachonprasat for their support.

Phalang Tham MP Thinnawat Maruekphitak yesterday said his party had already drawn up a bill for the election of governors in five provinces as the first step towards decentralizing power.

The five provinces are Nonthaburi, Samut Prakan, Khon Kaen, Chiang Mai and Nakhon Si Thammarat, said Thinnawat, adding that the Bangkok Metropolitan Administration was used as the model for the bill.

The bill will be sent to the Cabinet for consideration after the party's executive committee examines it Sunday, he said.

Solidarity Party leader Uthai Phimchaichon, the commerce minister, said he also supports the gradual introduction of the election of provincial governors. Uthai said he had a proposal which he would raise at the weekly Cabinet meeting today.

Chuan yesterday appeared irritated by the Phalang Tham opinion survey.

"If [Phalang Tham] has not become a one-party government, then it must follow the coalition government's policy which has already been delivered to the House. It cannot implement its own policy," the prime minister said.

Chuan said Phalang Tham could conduct opinion polls on the issue but stressed that "policy must be policy".

Chuan said that the government would not bow to pressure by any group over the issue. He was commenting on a growing campaign by groups in the Northeast for the election of provincial governors, who are now appointed from within the Interior Ministry and report directly to the Bangkok government.

Chuan said he could only promise that at least the grassroots level of local government—what are known as Sukaphibaan, or sanitary areas—would be elected during the tenure of his government.

At a meeting with top officials at Government House on the government's policies yesterday, Chuan also touched upon the issue.

He promised that at least sanitary bodies would be elected local government.

"I have discussed the issue with the interior minister and I think that we need some time to study the matter thoroughly to ensure that any changes would not lead to abuse of powers by local authorities and elected representatives," he said.

In its policy statement to the House, the government announced a plan to promote the election of local governments, which take on three forms under Thai administrative law—municipality for the most developed, mainly urban areas in the provinces; the lower stage of sanitary areas (Sukaphibaan) which come under provincial administrative bodies.

Though a form of local government, provincial administrative bodies are chaired by provincial governors and are answerable to Bangkok. Provincial governors under the existing law wear two hats—they are responsible for overseeing the entire province as officers sent from Bangkok, and they also head local governments (the provincial administrative organizations, or Ong Kan Borihan Suan Changwat, as against the provincial administrations).

Exceptions to the general rule on local governments are special forms of local government such as the Phatthaya municipality and the Bangkok Metropolitan Administration (BMA).

Chuan said that there are many levels of local government but would not be specific on whether his administration advocates the election of provincial govemors.

Interior Minister Gen Chawalit Yongchaiyut, the leader of the second largest coalition panner, has proposed a different form of decentralizing power. He has said he is opposed to the election of governors and is instead working on another approach of decentralizing administrative powers by granting tambon councils the status of legal entities while giving them more say and budgetary powers for development projects.

Chawalit has set up a working group to study the overall structure of the country's confusing and overlapping system of local government.

Phalang Tham, however, has decided not to wait for the study and some party MPs have also cast doubts on the neutrality of the working group.

Deputy House Speaker Thawin Praisont, of the Phalang Tham Party who has criticized Chawalit's plan, yesterday attacked the Interior Ministry move to grant tambon councils the status of legal entities.

He said that while preaching a policy of decentralizing power to localities, the Interior Ministry would still maintain control over tambon councils even if they were granted legal status.

Thawin pointed out tambon councils could not be independent from Bangkok when key authorities in the council would still be district officers, assistant district officers or development district officers, all of whom are appointed by Bangkok.

Oil Imports Up 7.9 Percent Over Last Year

BK0311045392 Bangkok THE NATION in English 3 Nov 92 p B5

[Text] Thailand's oil imports in the first nine months of this year amounted to 573,330 barrels per day, up by 7.9 per cent over the same period last year, according to the Petroleum Authonty of Thailand.

Consumption of oil products amounted to 468,830 barrels per day, up by 8.7 per cent. Diesel accounted for about 175,360 barrels per day, a decrease of 0.6 per cent; bunker oil for 126,720 barrels per day, up by 21.5 per cent; premium gasoline for 73,680 barrels per day, up to 10.6 per cent; jet fuel for 46,370 barrels per day, up by 10.6 per cent, natural gasoline for 34,820 barrels per day, up by 11.5 per cent; kerosene for 1,930 barrels; a down by 1.0 per cent; and the other related products such as asphalt and lubricant oil for 9,950 barrels, down by 13.7 per cent.

Natural gas consumption totalled 104,500 barrels per day, up by 4.7 per cent over the same period last year. Natural gas used to generate electricity totalled 97,080 barrels per day, up by 3.6 per cent, serving industries 7,420 barrels per day up by 21.4 per cent.

Domestic oil supply between January and September totalled about 633,250 barrels per day, up by 8.8 per cent.

Oil imports amounted to 440,250 barrels per day, up by 9.8 per cent. Of these, finished oil products accounted for 172,380 barrels per day, up by 2.0 per cent, and crude oil for 267,870 barrels per day, up 15.5 per cent.

Of the finished oil products, diesel accounted for of 79,530 barrels per day, a decrease to 16.8 per cent; bunker oil for 57,390 barrels per day, up 27.6 per cent; premium gasoline 20,940 barrels per day, up 55.6 per cent; jet fuel for 12,870 barrels per day, up to 43.2 per cent and the other for 1,610 barrels per day, decreasing by 9.0 per cent. The total costs were about Bt25.647 billion decreasing by 13.5 per cent (Bt4.002 billion) from the same period last year.

Crude oil imports from the Middie East were about 147,110 barrels per day, up by 3.8 per cent, 106,280 barrels per day from the Far East up by 25.5 per cent and 14,480 barrels per day from other sources, up by 266.6 per cent. The total cost of Bt34,693 million, was up by 14.7 per cent over the same period last year or about Bt4.361 billion. Domestic oil supply was about 193,000 barrels per day, up by 6.7 per cent.

Inflation Predicted To Increase Next Year

BK0311064992 Bangkok THE NATION in English 3 Nov 92 p B1

[Text] The Internal Trade Department forecast that next year the consumer price index (CPI) will rise by 5.6 per cent, compared with a rise of 4.5 per cent this year. The rise in inflation is mainly attributed to price increases in the service and consumer product sectors.

According to Somphon Kiatphaibun, director-general of the Internal Trade Department, the rise next year is in parallel with an increasing consumption of public utilities, including tap water, electricity and tollway fees. Rises in interest rates and wages could be also attributed to the CPI rise.

The CPI estimate is based on Gross Domestic Product (GDP), which is expected to exceed 7.5 per cent next year.

Somphon said that the rise in the consumer product sector is a result of growth in the country's economy, adding that prices normally rise in parallel with increased production costs.

Import costs of rubber and crude oil, for instance, are forecast to surge next year.

Sompol said that the CPI in the construction material sector, however, is expected to drop due to a slowdown in the local construction industry.

The director-general said that the department also plans to withdraw steel rods, a construction material, from the ministry's control, once domestic production meets the demands of the local industry.

He said that companies wishing to increase the steel rod price must report their stocks as well as the retail prices to the ministry 20 days before announcing the new prices.

Vietnam

Hanoi Comments on U.S. Presidential Election

BK0311121992 Hanoi Voice of Vietnam in English 1000 GMT 3 Nov 92

[Text] American voters go to the poll on Tuesday to elect their President and Vice President, House of Representatives, and many other important political positions. This is a great event of wide interest. This is the 52d presidential election in the United States and the coming president elected will be the 42d President of the country.

The President in the United States has the highest power. He can adopt or reject any bills. In his presidential term, President Bush, 30 times rejected bills related to domestic and international policies.

This presidential election is the race among three candiates: Bush, Clinton, and Perot. Opinion poll conducted recently shows that there is not a large gap between Mr. Bush and Mr. Clinton. Mr. Clinton is leading from two to eight points ahead of Mr. Bush. The TIME MAGAZINE said that Mr. Clinton is leading in many states such as California, New York, and Illinois.

The election results are difficult to predict, but one thing the American people wish is that whoever the president is, his duty is to boost up the economy and pursue a positive external policy.

Le Phuoc Tho Delivers Speech at Conference

BK3110093192 Hanoi NHAN DAN in Vietnamese 24 Aug 92, pp 1,2

[First installment of "excerpt" from speech delivered by Le Phuoc Tho, member of the party Central Committee Political Bureau and head of the party Central Committee Organization Department, at a national conference of leading cadres in Ho Chi Minh City from 10-13 August 1992]

[Text] The party Central Committee Third Plenum has devoted much time to discussing party-building work, which is an urgent task of special important significance and also a decisive factor for the overall development of the revolutionary undertaking in our country, as well as for the survival of our party.

What are the new traits of the resolution on renovating and revamping the party?

Life always means succession and development. The party Central Committee Third Plenum Resolution this time contains many practical issues to help clarify the seventh party congress resolution. Some of those issues have already been addressed in previous resolutions. Given the new situation, however, more importance has been added to them. As examples, one can cite the problems concerning the principle of democratic centralism, the consolidation of unity and singlemindedness in the party, and the improvement of relations between the party and people, and so forth.

At first, we shared different views on a number of issues, but ultimately reached unanimous consensus at the party Central Committee Third Plenum. The relationship between renovating and revamping the party is a case in point. At first, some people stressed the need to avoid using the term "renovation" for fear that this could easily make people mistakenly think that our party has changed its nature. In fact, it could not be simple to say if it is more important to renovate the party than to revamp it, or the other way around. These are the two aspects of a dialectically interrelated issue. The sixth party congress resolution calls for the "renovation of thinking and cadre organization." The seventh party congress resolution stresses the need to "renovate and revamp the party." By touching on the importance of efforts to "renovate and revamp the party," the resolution this time has helped concretize the seventh party congress resolution.

Some people stressed the need to attach primary importance to macro-level (central level) party organizations whereas others wanted to focus on party installations. As far as the measures and objectives adopted by the resolution this time are concerned, equal importance has been attached to both the macro- and grass-roots levels. The reason is because macro-level party organizations must be closely linked with party installations. The macro level plays an important role because it sets forth major policies and lines. The grass-roots level is of equal importance because it serves as the venue for turning party policies and lines into reality. In fact, both the macro- and grass-roots levels face major pressing problems and need to renovate and revamp their organizations.

The resolution this time also raises issues, which need to be addressed and perfected a step further through concrete party policies and state laws.

Furthermore, the resolution this time raises additional issues and attaches greater importance to them in view of the new situation. For example, the seventh party congress resolution defines the contents and methods of party leadership. The resolution this time, however, focuses more on the need for the party to exert overall leadership over different organizations of the political system, populated areas, grass-roots units, and professions through party organizations (instead of party members only).

The resolution also attaches special importance to the need to consolidate party leadership over the state by accelerating the implementation of cadre-related work, by helping cadres improve their professional skills, and by recommending competent, highly qualified cadres to assume important positions in the state mechanism.

1. Objectives, Principles, and Guidelines for Renovating and Revamping the Party.

First of all, it is necessary to bear in mind that the objectives of the struggle to renovate and revamp the party are to enhance the party's leadership skills and militancy so they can be on a par with the new situation, purify the contingent of party cadres and members, and secure conditions for effectively implementing the political tasks set forth by the seventh party congress, with first priority being given to efforts to develop the economy, make the people rich and the country powerful, and firmly safeguard political stability.

To this end, it is necessary to correctly follow the principles, requirements, and guidelines set forth by the resolution. This time, along with the need to firmly grasp set principles, creatively apply Marxism-Leninism and Ho Chi Minh Thought, and persist in the renovative line patterned after socialist orientations, the resolution stresses the need to link efforts to renovate all aspects of social life—first of all efforts to apply and perfect the various policies and management mechanisms—with attempts to consolidate the political system and the revolutionary mass movement in order to stir up and bring into full play the people's creativeness. It is necessary to follow appropriate steps and procedures.

2. Build the Party Politically and Ideologically

The resolution raises four practical issues relating to this domain as follows:

a. To continue to concretize and develop the policies and lines of the seventh party congress, further define the ways and means to advance toward socialism in Vietnam, and strengthen the confidence and determination of party cadres and members to persist in the revolutionary ideals and objectives of the path to socialism.

b. To promote revolutionary ethics and a healthy lifestyle among party cadres and members in view of the need to shift to the market-oriented economy and broaden international relations.

c. To strengthen unity and singlemindedness in the party based on the party's policies and lines, and improve relations between the party and people.

d. To uphold revolutionary vigilance against the "peaceful evolution" strategy of hostile forces.

Historical experiences indicate that party-building work must be carried out on the political, ideological, and organizational fronts. These three aspects of party-building work are closely interrelated, with the political front playing a decisive role because it charts the path to follow. The seventh party congress has defined the basic contents and goals of socialist construction in Vietnam in the Platform and the Socioeconomic Development Strategy.

This time, in defining the four goals of party-building work on the political and ideological fronts, the party Central Committee Third Plenum Resolution stresses that it is necessary, first of all, to make everyone fully understand and firmly believe that the socialist path is the only correct way to link national independence with socialism. This path calls for efforts to persistently safeguard Marxism-Leninism and Ho Chi Minh Thought; to strongly develop the traditions of patriotism and national pride; to uphold the spirit of independence, sovereignty, and self-sufficiency and self-reliance; to heighten the awareness of the need to work diligently to build the nation and broaden international relations; and to sharpen the determination to protect revolutionary gains, safeguard party policies and lines, and abide by party-building principles. To this end, it is necessary to attach utmost importance to efforts to renovate the forms and procedures of ideological work. Measures must be taken to overcome all manifestations of oversimplication, imposition, or alienation from diversified, complicated real life situations arising from a shift to the market-oriented economy.

Confidence-building must be based on scientifically solid grounds and facts, bearing in mind the need to review historical lessons and ensure that "words match with deeds."

We must make the people and party cadres and members clearly understand that only socialism can solve mankind's problems and comply with the course of historical evolution. In the whole process of the revolutionary struggle, our party has successfully overcome countless difficulties and has firmly believed in the revolutionary cause even when the fate of the nation was "hanging on a dangling rope." Furthermore, a look at today's world would indicate that countless ordinary working people, soldiers, war invalids, and dependents of fallen combatants have set shining examples by overcoming difficulties and responding to the movement to "eliminate hunger, reduce poverty, and get rich legitimately." All these examples testify to the fact that our people are highly motivated by a revolutionary spirit and stand very firmly on their feet.

Moreover, in order to build and consolidate confidence, along with making everyone have a clear picture of the problems raised by the nation and life, we must regularly and promptly work out effective solutions to those pressing problems arising from real life situations. Primary importance must be attached to the following points:

a. It is necessary for the party to renovate its ranks, cadre organization, contents of activities, and operating procedures. Resolute measures must be taken against negativism and corruption.

b. Concentrated efforts are needed to develop the economy, guarantee conditions for people to meet their daily requirements, and help compatriots in the urban and rural areas resolve their unemployment problems.

c. Measures must be taken to implement social justice and guarantee the right of mastership for the people.

Given the current information explosion, special attention must be devoted to improving the forms and quality of the activities of press organs and news agencies, bearing in mind the need to promptly help people have access to diversified, targeted, and multifaceted information. I would like to avail myself of this opportunity to remind party committee echelons of the need to attach importance to party press activities. Each party chapter must have at least a party paper at the central and local levels. Equal importance must be attached to the mass media and verbal propaganda activities. It is necessary to improve the quality of political and ideological activities in the party, especially in party chapters. Measures must be taken to overcome a lack of democracy or formalism in seeking ways to create a democratic atmosphere for party members' political and ideological activities. Special importance must be attached to this field. Continued efforts are needed to renovate thinking and theoretical concepts. In-depth studies must be made to sum up practical experiences and creatively expand theoretical knowledge. It is necessary, first of all, to sum up the basic experiences drawn from the renovation undertaking to help bring about stability and development to the country as a whole, and also to make preparations for the mid-term national conference of deputies and the eighth party congress.

The responsibility for party-building work on the ideological front rests first of all with party committee echelons. It is particularly important for the comrade secretaries and party committee echelons to work out plans to guide the implementation of ideological work. They should neither leave everything to special committees nor wait until problems develop and affect the morale of party cadres and members to seek ways to cope with the situation.

It is important to know how to foresee problems and work out effective contingency plans to handle them. It is necessary to closely link ideological activities with organizational work and socioeconomic development tasks at the grassroots level.

3. Revamping the Party on the Organizational Front

The strength of the party in the political and ideological domains is guaranteed by its strength on the organizational front. It is necessary to link ideological work with the organizational task.

As far as this issue is concerned, the resolution has set forth the following tasks:

a. To strictly comply with all principles governing party organization and activities, first of all the principle of democratic centralism; and to prevent and overcome all indications of disorganization, indiscipline, despotism, and power abuse in the party.

b. To consolidate the structural organization of party apparatuses at all levels, bearing in mind the need to organize and improve the quality of activities of party groups in elected organs. At the same time, it is necessary to set up Party Affairs Committees in the government, ministries, state commissions, and agencies under the direct management of the government.

c. To strengthen the organizational structure of party installations and improve the quality of party member-related work.

What are the noteworthy facts about the organizational structure of party installations?

It can be said that party installations have made very important contributions to the success of the renovation work. The outstanding performance of party installations is reflected through the following facts:

—Whatever challenges and difficulties, they have firmly adhered to the party-initiated renovative policies and lines.

—They have effectively organized and directed people of all walks of life in implementing new management policies and mechanisms, especially regarding economic development, improvement of the people's living conditions, and implementation of social policies

—They have made marked progress in the movement to purify party members and consolidate party committees.

—They have contributed valuable experiences to the drive to renovate macro-level management policies and mechanisms.

—They have begun to make changes for the better in implementing democracy in the party and among the people.

In the process of shifting to the market-oriented economy, some party installations firmly maintain and develop their leadership role. Others, however, do not know how to adapt themselves to the new mechanism. Still others continue to display prolonged weaknesses and shortcomings, or more seriously, are paralysed and give up their leadership role. In the countryside, a number of party installations has been rendered "ineffective" because of "burning" land disputes and internal contradictions among peasants. Typically, some party chapters and party cadres and members have even sided with negativism. Many quarter-level party installations have not yet satisfactorily fulfilled their leadership role in mobilizing and bringing into full play the strengths of party cadres and members to benefit local economic development, especially urban control and public security and order maintenance. Party installations in the various business establishments have belittled their leadership role, especially regarding the need to exert control over financial affairs and ensure democracy and openness for income distribution. In some areas, these shortcomings have led to incidents involving "party committee secretaries colluding with directors." Worse still, in some localities, certain party chapters have even tried to cover up the wrongdoings of unit chiefs.

Regarding the organizational structure of the party at all levels, the following facts have been noted:

—Thanks to party organization congresses at all levels, party committee echelons (party installation organizations) have consolidated their ranks. Quality and work efficiency, however, remain low. Direct measures are needed to consolidate those poorly performing party organizations. Many comrade party committee or comrade party chapter secretaries do not have the qualifications needed for their duties. As immediate objectives, measures must be taken to either replace them or help them improve their skills.

—Many party committees at the central, provincial, and district levels have been reorganized or streamlined a step further. Their functions and duties, however, have not yet been clearly defined. Incidents involving party committees duplicating the work of state agencies concerned still occur. Further steps are needed to improve this situation.

—Organizational work and party leadership in state agencies, elected organs, ministries, sectors, and mass organizations still display many loopholes, bottlenecks, and so forth, thus leaving much room for improvement.

This time the resolution of the party Central Committee's Third Plenum stresses the need to attach specific importance to consolidating grassroots party organizations in areas which are economically and politically sensitive. In this way, attention should be paid to consolidating party chapters and party organizations at the village and ward levels, of production and business units, and of various public organs at the central, prvovincial, and city levels. This is because:

—Members of village and ward party organizations account for 59.3 percent of the total number of members in the party with the members of ward and town party organizations constituting 9.6 percent of the total. Although villages and wards are places where over 80 percent of the population are inhabited, party chapters and party organizations, for the most part, have not really associated themselves with the people.

—Members of grassroots party organizations at various business enterprises make up 10.3 percent of the total number of members in the party. These enterprises control thousands of billions of dong, both in capital and assets of the state. They are where the contingent of workers of our country is being built and developed. They are taking the lead and serving as a backbone in the process of carrying out renovation and developing the commodity-based economy in accordance with the free-market system.

—Members of grassroots party organizations at various public organs account for 8.2 percent of the total number of members in the party. The majority of them are holding advisory or leadership positions. These public organs play a decisive role in various macro political issues of the country.

The aforementioned grassroots party organizations are where we can exercise our control over people, money, and authorities. It is necessary to attach importance to building and consolidating the party at these places, trying to make them strong enough so they can develop the party's very important leadership role and responsibility. We should rearrange those key cadres working in important and sensitive areas, for instance, in ethnic, border, and religious areas. Of late, a number of party committee members in charge of administrative work have concerned themselves only with their professional activities without paying any attention to party work. These people should not have been assigned to work as party committee members. That is why the resolution also stipulates that members of the party Central Committee and of the party committees at various levels must pay attention to and directly engage in party work within areas of their responsibility.

—Concerning party members-related work, the resolution emphatically says that we should first of all clearly determine the standards for party members in the new situation. Party members should be those who are political aware and loyal to socialist goals and ideals; who place the interests of the fatherland and of the people above their individual interests; who have good ethics and a wholesome lifestyle; who associate themselves with the masses; who set good examples for other people to follow and strive to become excellent producers, workers, and managers; who fulfill all assigned missions; who scrupulously comply with party statutes and the state laws; who constantly undergo training to improve their knowledge and work performance; who have a high sense of discipline; and who maintain solidarity and unity within the party.

Based on these standards for party members, it is necessary to satisfactorily carry out the tasks of providing additional training, purifying, and developing the contingent of party members so as to further invigorate the party. Party committee echelons should have programs and plans to provide members in their party organizations with fundamental knowledge, especially knowledge about politics (e.g. Marxism-Leninism, Ho Chi Minh's thought, and the political platform of the party and its statutes). Except for those who are exempted from party activities because of their senility, other party members should attend study sessions and should be tested by their organizations for their understanding about the above matters. Alternative party members and young party members should attend short-term training classes. Party organizations should pay attention to providing guidance for the conduct of study classes to improve the educational background of their members, their professional knowledge and management skills based on new mechanisms, and should create conditions for party members to improve their ability and knowledge so they can develop their exemplary role in the renovation undertaking.

This time the resolution also points out the purposes and the need to purify party members in a determined and steady way. We should be aware of the significance of the purification of party members as part of the rectification of the party. What we should do first is to investigate and analyze the quality of party members in a scrupulous, careful, and proper fashion. Under no circumstances will we be allowed to do this job just for form's sake and analyze party members' quality in an indiscriminate fashion. To analyze party members' quality, we should base ourselves on many factors such as their self-criticisms, the observation of the party chapters concerned and of the local people, and the verification of their superiors.

On this basis, we should have a solution to each kind of party member. As expounded in the party Central Committee's plenum resolution, you, comrades, should base yourselves on the above factors and effectively apply this solution in your localities and units concerned. When punishing a party member, we should, however, consider many aspects of the problem—such as conditions and specific circumstances under which an individual commits a mistake—in a fair and sensible fashion.

This time the resolution emphasizes the need to sternly deal with those who are political opportunists, whose speech and deeds are at variance with the party's viewpoints and guidelines, and who are corrupt, degenerate, and deviant, and detested by the masses.

Past experience shows that purification of party members is a very important method with which to improve the militancy of the party and eliminate those factors potentially harmful to the party. Therefore, we need centralized leadership, careful thinking, determination, and prudence, effective approaches, appropriate steps, and good guidance for pilot sites.

Along with providing additional training for and purifying party members, we should pay specific attention to party development in order to rejuvenate the contingent of party members and to ensure the succession and growth of the party.

The past few years have seen a decline in the number of people being admitted into the party. What are the reasons for this?

Earlier, because of illegitimate motives, some people expressed their desire to join the party. Now that the Soviet Union has collapsed, they have begun vacillating and no longer want to join the party. There is nothing to worry about this. Our party would never allow such individuals to join the party. Whereas, in certain areas, a not inconsiderable number of people—who are competent, have high quality, are trusted by the people, and are known for their contributions to the revolution—have applied for party membership in defiance of difficulties. This is a welcome fact. We welcome these people and are ready to consider admitting them into the party.

We, however, must scrupulously review the sense of responsibility of all party committee echelons, which still attach slight importance to the development of the party, and accurately analyze the other causes of the decrease in the recruitment of new party members. The important thing is that we must satisfactorily create a source of outstanding and qualified people from among youth union members, workers, peasants, intellectuals, and combatants of the armed forces for selection, training, and admission to the party, with emphasis on important establishments and places that still have a few or no party members at all. We must attach supreme importance to quality and must absolutely not give priority to quantity. Meanwhile, we must not nourish prejudice and narrow-mindedness. In so doing, it is particularly necessary for us to pay constant attention to leading and building up the Ho Chi Minh Communist Youth Union [HCYU], considering this as a highly important task in the process of developing the party.

Faced with the present situation, it is even more necessary for us to attach exceptional importance to safeguarding the party, especially its viewpoints and lines, and preserving the purity of the party organization.

4. Effect an Important Change in Cadre-Related Work

—Cadre-related work is of special significance to the process of renovation. In fact, achievements in the process of renovation, as well as weaknesses and mistakes in the process of organization and implementation, are all linked to the quality and ability of cadres.

—Since the Sixth Party Congress, new progress has been made in the contingent of cadres and cadre-related work.

Faced with the dreadfully fierce challenges of the world situation and the effects of the market mechanism, the contingent of cadres, especially managerial and leading cadres, still display firm political ability, a sense of self-reliance, and persist in their ideals and objectives.

A large number of cadres have been able to maintain a healthy lifestyle in the face of negative effects of society and the reverse side of the market mechanism.

On the basis of achieving identity of views on the party's principle of renovation, they unite around the party Central Committee.

—Through party organization congresses at various levels, the organizational structure of the contingent of cadres has undergone some change and is being gradually adaptable to the market mechanism.

—Efforts have initially been made in cadre-related work to overcome shortcomings in evaluating cadres according to one-sided views and class elements or with emphasis only on work and personal background, academic titles, and diplomas or decrees.

—Efforts have also been made to overcome a number of weaknesses in the division of managerial responsibility among cadres (this time resolution No. 23 of the party Central Committee Political Bureau has been revised and readjusted).

This initial progress has enabled our entire party and people to successfully seek and define the strategic and tactical lines and correct orientation for the party in the new stage, thus effecting important changes in socioeconomic life, firmly maintaining political stability, and encouraging the constant development of the renovation process.

Nevertheless, cadre-related work and the situation of the contingent of cadres still reveal many awesome weaknesses of which the real state and causes have been pointed out in the resolution.

Except for their quality and ability, the weaknesses of the contingent of cadres have stemmed from the fact that the average age of key cadres at various levels is too high, that their organizational structure lacks uniformity, and that efforts have slowly been made to renovate work related to the selection, training, advanced training, and treatment of cadres.

One may ask why we have made great efforts in carrying out cadre-related work during the past period, but the results obtained are still low?

Many people contended that various achievements have been scored in cadre-related work, but they are not significant. To answer this question, we must carefully study the party Central Committee Third Plenum Resolution, especially the part dealing with renovating cadre-related work. The most obvious and important cause, however, is that we have failed to firmly grasp and seriously implement the fundamental concept and principle of cadre-related work. Moreover, the formulation of an incentive policy for cadres has faced many obstacles while the consideration and appraisal of cadres' performances were carried out in an obsolete fashion and sometimes were made in favor of certain individuals. In addition, while the economic management mechanism has been changed, cadre-related work has still been carried out in accordance with the old system, especially in the deployment, assignment, and treatment of cadres. We are still lacking an effective mechanism to recruit and select competent persons. Many echelons of our leadership failed to firmly grasp and thoroughly understand the various tasks of our cadres. Some of them still cling to old concepts, thus failing to appraise our cadres in accordance with the set standard and the democratic system.

Based on the abovementioned realities, the party Central Committee Third Plenum Resolution has set forth a number of fundamental concepts and principles for cadre-related work as follows:

First, on what criterion should we base our appraisal of our cadres?

a. We should base our appraisal on cadre standard criterion as stipulated in the party Central Committee Third Plenum Resolution.

b. We must consider the achievements scored by cadres in carrying out the economic, political, and social tasks as well as their efforts in strengthening internal unity.

c. We must ensure that a comprehensive, concrete, fair, and honest method is applied in appraising the performances of cadres.

d. We must strive to overcome the appraisal of cadres that influenced by the tendency of subjectivism, one-sided views, localism, narrow-mindedness, prejudice, untruthfulness, and lack of democracy.

Second, in deploying and assigning cadres, we must base our appraisal on the requirements of tasks and the real capability of cadres. We must firmly grasp the worker class concept in carrying out cadre-related work while striving to integrate and strengthen unity among cadres in accordance with President Ho Chi Minh's thoughts and concepts.

The party Central Committee Third Plenum Resolution also stressed efforts to encourage and integrate competent persons from all fields and from various socioeconomic components, including Vietnamese patriots living abroad. All are welcomed to contribute to building the country regardless of their components, being party members or nonparty members, provided that they are loyal to the fatherland and socialism and are capable and determined to work and build a prosperous Vietnam.

We must strive to recruit and admit more young party members while ensuring the standard quality of membership. We must also strive to forge and develop the capabilities and experiences of old party members to ensure the continuity and inherent tradition of our system.

The resolution also paid special attention to the retired cadres and urged various echelons to create favorable conditions for these cadres to continue to contribute their efforts to the revolution undertaking depending on their capability and strength.

Deputy Premier Receives UNICEF Delegation

BK3110150192 Hanoi VNA in English 1406 GMT 31 Oct 92

[Text] Hanoi Vna Oct. 31—Deputy Prime Minister [PM] Nguyen Khanh received here on Oct. 29 a delegation of the United Nations Childrens Fund who are here to attend an annual conferance to review the 1992 national programme between Vietnam and the UNICEF.

The UNICEF delegation comprises Mr. Danial J. Brooks, regional director of the Asia and Pacific region, Mrs. Pratma Kale, UNICEF-New York HQ representative.

Minister Tran Thi Thanh Thanh, vice president of the Vietnam Committee for Child Protection and Care was present at the reception.

At the reception, Deputy PM Nguyen Khanh expressed sincere thanks to UNICEF for its valuable assistance to Vietnam's Woman and Child Care including the implementions of the Convention on the Rights of the Child and Vietnam's national programme in the coming period.

UNICEF representatives renewed UNICEF's continued its appropriate assistance to Vietnam. [sentence as received]

While here, the UNICEF delegation visited the Ministry of Foreign Affairs, the State Planning Commission and the Vietnam Committee for Child Protection and Care.

UNICEF Hanoi representative Stephen J. Woodhouse was present on these occasions.

Australia

Keating Appeals to G-7 To Save Uruguay Round

BK0311042892 Melbourne Radio Australia in English 0300 GMT 3 Nov 92

[Text] Australia is leading a desperate international push to avert the potential failure of the Uruguay Round of world trade talks. The Australian effort is in a letter to the seven most powerful trading nations on behalf of medium and small nations caught up in the middle of the deadlock over a new world trade deal. Linda Mottram reports from Canberra that at least 30 nations are backing the prime minister's message.

[Begin Mottram recording] The message is authored by Australia's prime minister, Paul Keating, and it is being sent to the world's seven richest nations, the G-7, as well as to European Community head, Jacques Delors, and the leader of the GATT, Arthur Dunkel.

The message warns that successful result in the Uruguay Round is needed to promote global economic growth and to prevent the deterioration of the world trading system. The message reminds the world trade heavyweights that it is not just their interests that are at stake, but also those of many developing nations, and it says the restructuring and liberalization that is under way in many parts of the world could be seriously threatened if the talks fail.

The message urges the leaders of the G-7 to intervene now, pointing them to their commitment earlier this year to complete the talks by year's end. [end recording]

Rights Team Refused Permission To Visit Tibet

BK0211084192 Melbourne Radio Australia in English 0800 GMT 2 Nov 92

[Text] An Australian parliamentary human rights delegation due in China next week has been refused permission to go to Tibet. Kate Wall reports that Australia's Foreign Affairs Minister Gareth Evans has written to his Chinese counterpart expressing strong disappointment. The delegation led by Labor Senator Chris Schacht appled for permission to return to Tibet where last year it found serious human rights abuses carried out by Chinese authorities.

The Australian embassy in Beijing has been told that local authorities in Tibet are too busy to receive the delegation. The embassy announced that Australia's Minister for Foreign Affairs Senator Gareth Evans wrote to his Chinese counterpart seeking a reversal of the decision but was told the minister could not override a decision by local authorities.

Australia has also made it clear to China that despite the rejection of the delegation's visit to Tibet every opportunity will be taken to raise concerns with Chinese authorities about the human rights situation in Tibet.

Chinese 'Boat People' Arrive on Christmas Island

LD3010205192 Melbourne Radio Australia in English 1900 GMT 30 Oct 92

[Text] A large group of boat people has arrived on Australian territory on Christmas Island off Western Australia's northern coast. A spokesman for the Australian Coastwatch says the group's vessel reached Christmas Island during the night. It is understood that Customs Department officers are now interviewing the arrivals.

Earlier this week, Australia received a report that a group of about 115 Chinese boat people had left Indonesia for Australia.

Immigration To Begin Processing

BK3110122592 Hong Kong AFP in English 0608 GMT 31 Oct 92

[Text] Darwin, Australia, Oct 31 (AFP)—Immigration officers were to fly Saturday to Christmas Island in the Indian Ocean to begin processing 113 Chinese—the biggest group of Chinese boat people to arrive on Australian territory.

The boat people, believed to be from southern China, arrived at the Australian island, 2,800 kilometres (1,730 miles) west of here and about 500 km (310 miles) south of Jakarta, on Friday night.

Immigration Department spokeswoman Jenny Hoskin said arrangements were being made to transfer them to a detention centre on the Australian mainland.

Previous groups have been detained at Port Hedland, 1,600 km (990 miles) southwest of here on the coast of Western Australia.

Hoskin said the group comprised 99 males and 14 females, including some children and possibly some family groups.

The group is the fourth boatload of Chinese to arrive in Australia this year.

In January, 56 Chinese landed on the rugged Western Australian coastline and wandered in inhospitable country for days before being found.

In May, 10 Chinese arrived in Darwin, and in August a group of 68 Chinese arrived at Christmas Island, which is closer to China than the Australian mainland.

The island's administrator Michael Grimes was quoted by Australian radio Saturday as saying that all the Chinese appeared to be well, and housed and fed at a recreation centre on the island.

French Deputy Minister Arrives for Talks

BK0311053892 Melbourne Radio Australia in English 0300 GMT 3 Nov 92

[Text] France's deputy foreign affairs minister, Georges Kiejman, is in Canberra for official talks with the Australian Government.

Mr. Kiejman is scheduled to meet the foreign affairs and trade minister, Gareth Evans. Issues on the agenda include trade, particularly the stalled GATT talks and the future of the Cambodian peace settlement.

Mr. Kiejman will also be received by Prime Minister Paul Keating and will later meet with the Australian opposition's foreign affairs spokesman, Senator Robert Hill and the chairman of the Parliament's Joint Foreign Affairs Committee, Senator Chris Schacht.

New Caledonia

Separatist Leader Calls for Election Boycott

BK0111104092 Hong Kong AFP in English 1001 GMT 1 Nov 92

[Text] Thio, New Caledonia, Nov 1 (AFP)—The president of the Kanak Socialist National Liberation Front (FLNKS) said Sunday his constituent party favoured a boycott by the entire FLNKS of legislative elections in the French territory.

Paul Neaoutyine, who heads the Kanak Liberation Party (Palika) faction of FLNKS, said the decision was taken because "the French Government has not honoured its commitments" on a modification of electoral constituencies.

His comments came after some 100 Palika militants held their 17th party congress at a small tribal community south of here. The three-day congress called for steps toward "true decolonisation" of the French South Pacific territory.

Neaoutyine said Palika would call for the electoral boycott during the next meeting of the FLNKS, set for early December, but would comply with the front's decision if it decided to participate.

He said his party, a minority within the FLNKS, had made a "negative judgement on the spirit in which the plan of the Matignon Accords on economic re-equilibrium is being implemented."

The Matignon Accords, signed in Paris in 1989, set forth a 10-year development plan to culminate in a referendum on self-determination for New Caledonia.

Also of concern to Palika, Neaoutyine said, was the "assumption of control by the (anti-independence) Rally for Caledonia in the Republic (RPCR) of the main sectors of economic activity."

He said Palika had also found it impossible to hold a "positive discussion with FLNKS partners on taking charge of provincial institutions," which he said was causing "bad management in the provinces with pro-independence majorities."

The pro-independence areas of New Caledonia are the least developed.

New Zealand

Government Announces Closure of Yugoslav Embassy

BK0111093892 Hong Kong AFP in English 0635 GMT 1 Nov 92

[Text] Wellington, Nov 1 (AFP)—The New Zealand Government Sunday announced the closure of the embassy of the former Socialist Federal Republic of Yugoslavia.

"It ceased operations from October 31," Foreign Minister Don McKinnon said in a statement. "The charge d'affaires at the embassy has been asked to take the appropriate steps to wind up its affairs."

McKinnon said the Socialist Federal Republic of Yugoslavia no longer existed and since its dissolution New Zealand had established diplomatic relations with Croatia, Slovenia and Bosnia-Hercegovina.

"We have not, however, established diplomatic relations with the territory calling itself the Federal Republic of Yugoslavia—Serbia and Montenegro," McKinnon said.

"Nor do we accept (its) claim to be the continuing state of the former Socialist Federal Republic of Yugoslavia," he said, adding: "In these circumstances the government does not consider it appropriate for the embassy to continue carrying out diplomatic functions."

Charge d'Affaires Luka Mestrovic is the only Yugoslav diplomat accredited to Wellington. He could not be contacted for comment Sunday night.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

national product (GNP)." According to the MITI's fact-finding survey on data processing, the number of companies which introduced hardware rose through the period 1983 to 1989 by an average of 10 percent. In spite of this, Takeo Shina, president of IBM Japan, said that from now on, "it is questionable whether demand for computers will grow as much as GNP."

Recently, the number of companies renewing contracts to lease information systems has been increasing. In the past, at the expiration of a leasing contract it was common practice for companies to switch to a newer, higher-performance system. Now, because of changes in the structure of the market caused by technological developments which have cut back the size of computer systems, users realize that, used efficiently, small-scale systems can cope with the workload and there is no need for bigger ones.

Against such a background, the likes of NEC Corporation and Fujitsu Ltd, leading Japanese high-technology firms in semiconductors, computers, and communications—seen as the keys to the 21st century—have found their rankings reduced. In the past, bonds issued by either of these two companies were ranked AAA (triple A), the top classification of the Japan Bonds Research Institute.

However, in August they were reduced to AA plus (double A plus). This is evidence that the myth of the continued growth of the high technology industry is being broken.

Michiyuki Uenohara, NEC Corporation special adviser says: "The previous technology revolution has ended, and we are now in a period of transition before the next one.

"If we can tide ourselves successfully over this transitional period, which will last until the end of the current century, then Japan's high technology industry will grow rapidly again."

However, it is doubtful whether Japanese industry has the confidence to tide itself over this transitional period.

Software Development Emphasized

OW0211130492 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Oct 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Third and final article in a three-part series entitled "The Changing Myth of High Technology"; by editorial staff member Koichi Nishioka: "Meandering Road of Recovery—Emphasis Put on Development of Software; R&D Is Also Important"]

[Text] A half-joking view has been expressed within the high technology industry that "we want to be in an era where the Order of Cultural Merits is granted, not to Sony's Honorary President (Masaru) Ibuka, but to Nintendo Co., Ltd.'s (Hiroshi) Yamauchi."

U.S. Companies Running Far Ahead

Japanese companies' technology for downsizing and mass-producing, represented well by technology developed by Mr. Ibuka, has been a major driving force for the nation's economic growth. However, basic principles for business activities have remained unchanged, placing the emphasis on gaining a larger market share and improving production capabilities. Even the high-technology industry is within this same sphere. But Nintendo has succeeded in business by efficiently adopting high technology for its business.

Looking back, we see that Japanese companies have been competing exclusively against each other in the same fields. Such competition between Japanese companies is frequent. The term high-technology company sounds good. But within the high-technology industry, there are quite a number of manufacturers which are in lower positions, engaging in business as original equipment manufacturers (OEM—producing another company's products), supplying parts and completed products to European and American electronics companies.

Moreover, the high-technology industry has fallen behind in realizing the importance of software production. Despite the fact that technology for systematizing software—including such computer software as "MS-DOS"—by matching software to electronic equipment is becoming a megamarket, the Japanese high technology industry has failed to catch up with such American companies as Microsoft Corporation, which have a good lead in the software field.

What lies behind the "voice in praise of Mr. Yamauchi" is the feeling of remorse about the fact that while we live in the age of using high technology to produce goods, the industry has not been fully cognizant of this fact. Within the high-technology industry, there is the expectation that a structural change in demand will occur if manufacturers such as television-game manufacturers come to play a leading role.

There are signs in the high-technology industry toward taking some measures to deal with the current situation. Currently there are efforts to develop an open system which allows being able to hook up different types of personal computers and gaining the capability to deal with price cutting competition in computers, a challenge presented by U.S. manufacturers. These are key to future development.

"This is the calm before the storm, an informational revolution," said Toshiaki Ito, managing technology department chief for Mitsubishi Electric Corporation. If the idea of setting up an information network using cheaper personal computers and work stations which people can buy should materialize, it will not only make that system useful but will also revolutionize joint data processing and means for communication.

Companies are currently puzzled over developments in technology because they do not fully understand how to work with such technology. But there is the possibility the high-technology market will grow rapidly if a feedback function between new technology and methods to use it are established. When this time arrives, manufacturers and software makers who are not currently dealing with computers will be able to make inroads into the market.

Increasing "Hunter Type" Companies

Concerning the high technology industry, Omron Corporation President Yoshio Tateishi had these remarks: "Conventional high-technology companies may fold up." A company which makes a computer system by combining the separate components of high-technology equipment, like a person who assembles devices by collecting electronic parts at Akihabara [the electric apparatus shopping street in Tokyo], can be described as the new type of high-technology company. New, high-spirited high-technology companies such as Hamamatsu Photonics Co., and Hayashibara Group may emerge in the industry one after another. A new wave is building.

There are two phases in the process of developing high technology as a prime mover of the overall industry. One phase is "industrializing high technology," in which new products are developed, thus creating new markets. The other phase is "industry's adopting high technology," wherein high technology is added to existing products, thus contributing to the expansion of the existing market and raising the demand for high technology in general.

If viewed from high-tech business development, one phase is the "agricultural phase", wherein people will patiently develop and come up with new products and then mass produce them. The other phase is the "hunting phase", wherein people actively seek and hunt for demand. At present, no new products are emerging to decisively create new markets. The process of industry's adopting high technology is currently under way; for instance, efforts are being made to utilize high techonology in structurally heavy industry such as shipbuilding. In this second phase, the high status usually associated with the high-tech industry is lacking. Besides, in this economic recession, potential high-tech users tend to be more reluctant to improve their plants and equipment with high technolgy than they normally are.

As the scale of high-tech industry becomes as large as it has today, the upstream businesses that provide materials and equipment, such as Shinetsu Semiconductor and Nikon Corporation, become fat. When the expanded stomachs of the companies are only partially filled, their adverse effects on the industry in this recession is bound to be worse than during previous recessions.

Stagnation Within Sight

Tsuyoshi Kawanishi, vice president of Toshiba Corporation, said: "In reference to the memory projects, there is talk that technology has advanced too quickly or that investments have been excessive. Arguments on such question only repeat what we experienced at the time of the 1985-1986 semiconductor industry recession. What is essential now is the strategy to deal with this recession." The battle-seasoned people may have anticipated today's economic stagnation.

But if one knows that the resurging demand for memory chips is a result of South Korea's inability to export the chip products to the United States because of dumping charges, one must admit that there are signs of "aging" even in the nation's semiconductor industry.

"System on silicone." This is the password of the semiconductor industry in the campaign to bring itself back to life. A microprocessor and other parts of a system, like memory parts and peripheral integrated circuits, will be put on a single chip. The industry's target is no longer to do everything to mass produce only integrated circuits, but to recover the added values that have been given out to system makers and domestic and foreign OEM suppliers. To do that, all the companies of the industry are pouring large numbers of people and huge amounts of money into projects for developing computer-aided-design (CAD) systems.

The hunting phase comes after the agricultural phase. Demands for high technology then extends laterally, and enough energy is then gathered to enable a transition into a new agricultural phase. High technology continues to expand like this—repeating the process. The high-tech industry must continue the efforts to develop new products that can create new markets. Awareness of this is motivating companies not to reduce research and development expenses even when their account books show their incomes plunging.

NEC Introduces New Personal Computers

OW2810084292 Tokyo MAINICHI SHIMBUN in Japanese 27 Oct 92 Morning Edition p 8—FOR OFFICIAL USE ONLY

[Text] On 26 October, NEC Corporation introduced to the market four new personal computers, including a colored notebook computer and a multimedia-adaptable computer with a built-in CD-ROM (compact disc read-only-memory). The company will not offer cut-rate prices for them, however, thus signaling that it is not joining the price war that began with Compaq, a U.S. personal computer maker, by introducing low-priced personal computers.

NEC holds more than a 50-percent share of Japan's personal computer market. Speaking about the price war, Akira Kobayashi, NEC managing director, said: "NEC is not holding the present market share because it won in a price war; it is because we have so many options to offer—including over 14,000 software programs. Our system can easily cope with the existing situation. We have no intention of taking the price challenge head on." Thus, he made it clear that the company is not getting into the mud over a price war immediately.

The colored notebook computer has a processing speed 2.5 times faster than the previous one, yet is priced 498,000 or 100,000 yen less. This means the performance/price ratio has improved 2.7 times. The built-in CD-ROM "PC-9801NA" costs at least 318,000 yen—comparable to prices of Fujitsu and Apple products.

Food Agency To Reduce Rice Stock in 1993

OW2810063892 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Oct 92 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] The Food Agency [FA] has predicted the government's rice stock for the next rice year [beikoku nendo], which is to begin in November, will amount to approximately 260,000 tons. This amount is lower than the government's target amount of 300,000 to 400,000 tons, which has already been revised downward. When calculated on the basis of the total annual rice consumption of 9.9 million tons, the stocked rice is equivalent to meet the domestic consumption needs for just nine and a half days.

As one of the reasons for insisting on the policy of self-sufficiency in rice, the government maintains that through this policy "rice can be stocked at a proper level of about one million tons in preparation against a poor crop." Since the price of rice has risen due to a sharp drop in the quantity of stocked rice, it is expected there will be a much stronger demand for opening up the rice market, however.

The FA observes that while the government-controlled rice stock will reach 250,000 tons by the end of October, the rice stock on the free market [rice distributed independently] will amount to 10,000 tons. This is because, in addition to a drop in supply due to a last year's poor rice crop, this year demand has exceeded the government target by about 90,000 tons. As compared with the late 1960's when the rice self-sufficiency system was established, the level of stocked rice for next year will be the third lowest—next to those in 1984 and 1985.

In addition to shortages in stocked rice, it is expected the supply of rice produced in 1992 will fall below the government target by approximately 500,000 tons. For these reasons, the national average wholesale price of polished rice (of 10 kilograms)—which is used as staple food—rose by 5.1 percent as of September, as compared with the same month of the previous year.

Papers Take Inward Look During 'Newspaper Week'

OW0211012492 Tokyo THE JAPAN TIMES in English 1 Nov 92 p 16—FOR OFFICIAL USE ONLY

["Translation" of a "Survey of Editorials" from SHIMBUN KYOKAIHO, a weekly publication of the Newspaper Publishers & Editors Association of Japan: "An Editorial Sampler: Newspapers Look Hard at Themselves"]

[Text] "Newspapers Guard the Earth, Mankind and the Future" was the slogan of the 45th Newspaper Week that started Oct. 15. The KAHOKU SHIMPO editorial noted that the word "Earth" appeared in the slogan on two previous occasions in 1970 and 1973 when the United Nations' first environment conference was held in Stockholm. An "Earth Summit" was held in Brazil this year.

The Sagawa Kyubin affair shows there are pressing immediate problems even before those concerning the environment. NANKAI NICHINICHI SHIMBUN said the "slogan is telling the media to 'rise promptly if they think there is something wrong with the Earth and with the people and the future.'"

Shin Kanemaru's resignation from the Diet was reported on the day Newspaper Week started. Some 50 vernacular newspapers commented on the newspapers' mission in connection with the Kanemaru case.

HOKKAIDO SHIMBUN: "The newspapers themselves have no power. But what the newspapers write can arouse public opinion, and a big power gushes out when the people rise. This is now being proven."

SANKEI SHIMBUN: "Turn the public anger that forced Kanemaru to resign toward realization of drastic political reform. We would like to open up a new view of this country's future from the present tattered political condition."

YOMIURI SHIMBUN: "The people's anger is all the deeper. Politics is at an extremely dangerous turning point. As the mouthpiece of the people, we feel acutely our responsibility to press for change."

MAINICHI SHIMBUN: "Do the people truly see the newspapers with high regard? If so, we should have more information from our readers."

ASAHI SHIMBUN: "We should seriously think about what measures to take as young people distance themselves from newspapers."

Both the ASAHI SHIMBUN and YOMIURI SHIMBUN conducted public opinion surveys concerning newspapers which produced 74 percent and 88 percent, respectively, that newspapers "can be trusted." Regarding the role of provincial newspapers, a panel discussion conducted by the SANYO SHIMBUN revealed that "we would like not only the first reports of local news but more criticism and commentaries are needed in the provinces. One can better understand the position of one's region if there are more articles crossing with other prefectures."

HOKKAIDO SHIMBUN and GIFU SHIMBUN emphasized speedier newspaper production through the use of word processors for input.

TOKACHI MAINICHI, KANAGAWA SHIMBUN, KAHOKU SHIMPO, SANYO SHIMBUN, OITA-GODO SHIMBUN, and four other papers carried contributed articles and interviews, all demanding more regional news, warning that "we are apt to lose sight of the values of what is close to us." They called for a broad view based on a deep and firm grasp of the region in question, and contribution to that region.

RYUKYU SHIMPO reported on the actual situation of the reporters' club and also said police stations and public offices now have a better system for public information, although the information supplied now tends to be uniform, and the "right to know" is being shaken.

All newspapers are expanding their readers' columns.

Kanemaru Mulls Returning 500 Million Yen

OW2910131592 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Oct 92 Evening Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] Regarding the 500 million yen that former Vice President Kanemaru of the ruling Liberal Democratic Party [LDP] received in political contributions from former President Hiroyasu Watanabe of Tokyo Sagawa Kyubin, in violation of the Political Funds Control Law, Kanemaru is considering returning the money to society in one way or another by contributing the money to social welfare organizations. This was disclosed on 26 October by an LDP source. Although Kanemaru resigned as a member of the House of Representatives on 21 October, public opinion is still critical of his illegal acceptance of the money and public criticism is growing against not only Kanemaru, but the LDP. Hence, he is believed to be considering returning the money to society with the aim of allaying the growing public criticism.

As for the 500 million yen, Kanemaru has admitted in a written statement to the Special Investigative Department of the Tokyo Prosecutor's Office that he had received the money as "election campaign funds" for the 1990 general election. Upon receiving the statement, on 28 September the Tokyo Prosecutor's Office filed a summary indictment against him for violating the Political Funds Control Law. The public has increasingly reacted against the settlement of his case, however, claiming that "Kanemaru was fined only 200,000 yen for illegally accepting 500 million yen and we cannot understand this."

Editorial Against Political Concessions at Diet

OW3010141392 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Extraordinary Diet Session for Testing Purification Capability"]

[Text] The extraordinary session of the Diet is set to open on 30 October. The greatest tasks assigned to this Diet session are, first of all, clarification of the truth behind the Tokyo Sagawa Kyubin scandal and promotion of political reform, and, simultaneously, deliberations on and the adoption of the draft supplementary budget bill as a measure to boost the economy. The question raised by a series of scandals is how to reconstruct Japanese politics, which has been polluted by money and violence. What will be tested at the upcoming Diet session is the ability of Japanese politics to cleanse itself.

When taking into account all the distrust in politics and the confusion in political circles that has become public since the surfacing of the Tokyo Sagawa Kyubin scandal, a question will then arise as to why the Diet session was not held sooner. It is regrettable that this has happened because the government and the ruling and opposition parties have been tied down by customary practices concerning Diet management and due to sheer force of circumstances.

At the upcoming session, the Diet will face a crucial moment on whether it can revive Japan's politics, as our people share a distrust in politics. If the Diet should fail to clarify the Tokyo Sagawa Kyubin scandal at its upcoming session, and if questions as to how gangster organizations are involved and how the large sums of donations were used are left obscured, the people's disappointment with the Diet will intensify and their faith in parliamentary politics will be seriously damaged.

What must be first taken up during this Diet session is politicians' involvement in the Tokyo Sagawa Kyubin scandal. Among the numerous questions involved are how the 500-million-yen illegal political donation which was first given to Shin Kanemaru—former vice president of the Liberal Democratic Party [LDP]—and then distributed amongst the Takeshita faction, was used; and how the enormous amount of donations which were distributed among politicians other than Mr. Kanemaru were used. Even for the sake of its own authority and reputation, the Diet must exercise its right to investigate state affairs to clarify all the related facts.

In the public prosecutor's introductory statement, it was disclosed that gangster organizations may have been involved in the formation of the Takeshita cabinet. As we have repeatedly pointed out, this scandal in particular has shaken our country's politics from its very foundations. It is only natural that Mr. Kanemaru and Mr. Noboru Takeshita, who were involved in this affair, should clarify all the concerned facts. Logically, the government and the LDP should positively request the two politicians to testify at the Diet session. On this point, Prime Minister Kiichi Miyazawa is pressed with heavy responsibilities.

The ruling and opposition parties are already confronting each other over the issue of summoning the two politicians for hearings at the Diet session, and they are now engaged in old-fashioned bargaining. When the seriousness of this case is taken into consideration,

76

priority must be given to the clarification of all the concerned facts. Therefore, it is necessary that the Diet summon witnesses by exercising its right to investigate state affairs. All efforts will begin with the Diet.

Since the Tokyo Sagawa Kyubin scandal has become such a serious scandal, shaking the political world, a special committee should be set up in the Diet. This committee should conduct a thorough investigation to clarify all concerned matters; conduct a searching inquiry into the politics and administrative procedures that have brought about the scandal; and hammer out necessary measures to prevent the recurrence of further scandals. This is what should be done at the Diet. Neither the ruling nor opposition parties has demanded the establishment of such a special committee so far, however.

Under these circumstances, there is no alternative but to make the Budget Committee the main stage for the clarification of the scandal and deliberations over concerned political reform bills, including the strengthening of the Political Funds Control Law and other revisions. On the other hand, the Budget Committee has the task of conducting deliberations on the draft supplementary budget bill. It seems that the ruling and opposition parties are planning to bargain with each other by trading concessions on the issues of witness summoning with adoption of the draft supplementary budget bill. Such a deal should never be allowed. It is urged that both the ruling and opposition parties attend the upcoming Diet session by taking its significance into full consideration.

Obuchi Asks Faction Not To Join Ozawa Group

OW2910180692 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 92 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] Keizo Obuchi, the new chairman of the Takeshita faction of the Liberal Democratic Party [LDP], sent telegrams to all faction members on 28 October asking them not to join the group supporting former LDP Secretary-General Ichiro Ozawa. Obuchi acted in response to his rival group's formation of their own policy group, headed by Finance Minister Tsutomu Hata. Obuchi also asked senior members of the pro-Ozawa group to exercise restraint. Senior members of the Obuchi group warned that "firm action will be taken against those participating in the pro-Ozawa group," hinting that participating members may be expelled from the faction.

The telegram, in Obuchi's name, read: "Since the Keisei-kai is basically a policy group, it is unacceptable to form a new policy group within the Keisei-kai, and, therefore, I ask you not to participate in this new group."

Mongolia

Pakistan Ambassador Presents Credentials

OW3010233992 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1800 GMT 30 Oct 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, October 30 (OANA-MONTSAME)—The extraordinary and plenipotentiary ambassador of the Islamic Republic of Pakistan to Mongolia Haled Mahmud [name as received] presented today his credentials to the President of Mongolia P. Ochirbat.

At the ceremony of presentation of credentials present were the head of the presidential office B. Tumen and the Minister of External Relations of Mongolia Ts. Gombosuren.

Official Marks 30 Years of UNESCO Work

OW0111002092 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1258 GMT 31 Oct 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, October 31 (OANA-MONTSAME)—On the occasion of 30th aniversary of admission of the country in UNESCO H. Behbat [name as received], head of the Mongolian Commission on Cooperation with this authoritative international organization said that during the years past since the country's admission a number of designs including founding the Politechnical University and the Govi Preserve, struggle against desertifation and erosion of soil, strengthening the material fascilities of scientific research organizations and high educational institutions have been implemented with the aid of the organization.

He also stressed that with UNESCO assistance Mongolian scientists are carrying on historic investigations on culture and civilization development in central Asia, specific peculiarities of nomadic way of life.

UNESCO has also rendered much help in restoring the monuments of history and culture of the country. H. Behbat underscored that UNESCO has granted 5.2 millions U.S. dollars to Mongolia for implementation of eight designs.

Harvest Complete in Key Granary Region

OW0111001992 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1255 GMT 31 Oct 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, October 31 (OANA-MONTSAME)—The grain harvesting campaign in Selenge Province—one of the main granaries of the country has been finished.

According to preliminary results more than 180 thousand tons of grain has been harvested here. The companies "Burgaltai", "Nairamdal", "Ih Bayan", "Handgait" and some soums of that province have get 14.5-22.5

centners of grain per hectare, which is a rather high showing taling into account climate and other conditions of Mongolia.

MONTSAME Carries Ulannbaatar Press Review

30 Oct

OW3010235392 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1811 GMT 30 Oct 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, October 30 (OANA-MONTSAME)—The official newspaper "ARDYN ERH" has published the edict of the president on awarding medals, ordens and honourable titles to some research workers and teachers of higher educational institutions for their valuable contribution to the cause of training national cadres.

The newspaper has informed about an official visit of S.A. Tereshchenko, prime minister of the Republic of Kazakhstan, during which agreements on bilateral relations were signed and his departure.

D. Danzan, an MP [member of parliament] in his interview to the newspaper correspondent said that under conditions of market relations it is difficult to speak about speculation for the market itself is regulating commodities prices. He also considers that existing in our country notion of speculation was "inherited" of the previous administrative commanding system when production output and their prices were being regulated by the state.

The newspaper has finished the publication of the article by D. Byambasuren, the former prime minister and an MP "Ideas on Reviving Mongolia and the National Economy".

The government weekly "ZASGIIN GAZRYN MEDEE" carries an interview with president adviser J. Enhsaihan who accompanied the president during his trip to the Gobi provinces. According to him, the president has acquainted with needs and troubles of the working people, explained to them the market economy relations being introduced in the country and the significance of economic steps being taken by the state and government.

Ts. Gombosuren, minister of external relations in his interview to the newspaper said that his visit to Russia was successful in terms of reaching a number of agreements and advancing the bilateral cooperation. During his visit the Mongol-Russian agreement on friendly relations and cooperation has been signed and talks on issues of developing trade economic cooperation have been conducted.

The minister stressed that an agreement on mutual visits of presidents P. Ochirbat and B. Yeltsyin was reached.

Ch. Ulaan [spelling of name as received], state minister of the national development department under the prime minister supervision noted that Mongolia is steady implementing the transition to market relations and there is an opinion that the country is in no way inferior to the most of Asian countries. He considers that the country's rate of development should not be evaluated just by some economic parameters.

The article also publishes resolutions and decisions of the government including the decision of the police department head on changing foreign passports payment and making amendments in the order of issuing those to citizens.

The free newspaper "ARDCHILAL" commenting on the press conference of P. Jasrai [spelling of name as received] on the government programme of action approval has emphasized that the prime minister expressed a hope that the programme would be supported not only by the MPRP [Mongolian People's Revolutionary Party] but also by other political parties. The newspaper also underscores the prime minister statement that the previous government has not juytif b Davaanyam [spelling of name as received], a member of the presidium of the executive council of the movement for inviolability of frontiers in his interview to the newspaper correspondent said that during the June parliamentary elections the MPRP had taken advantage of a political vacuum as well as Mongolian citizens' inadequate understanding of such notions as market, human rights, private property and freedom.

According to him, during 70 years communist power the country has been 100 years behind the world level. P. Davaanyam considers the private ownership to be the first step towards market economy.

The newspaper correspondent N. Batbayar [spelling of name as received] who visited Bayan-Ulgii Province where the majority of Kazakh origin live pointed out that there are not any cases of unfriendly relationship to Khalha ongols [spelling as received] constituting the native population of the country.

31 Oct

OW0111004192 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1300 GMT 31 Oct 92—FOR OFFICIAL USE ONLY

[All names as received]

[Text] Ulaanbaatar, October 31 (OANA-MONTSAME)—The newspaper "ARDYN ERH" reports about the course of the session of the State Great Hural. A package of taxation laws to be the basis of taxation system of the country is under consideration at the session.

According to the newspaper P. Jasrai, prime minister has received S. Luvsandorj, president of the general council of the National Union of Agricultural Cooperators. P. Jasrai was acquainted with decisions of the third meeting of the general council and the course of agricultural companies work. During the meeting issues of strengthening organizations and improving the resposibility of the agricultural cooperators have been discussed.

On the occasion of 30th anniversary of admission of Mongolia in UNESCO to be celebrated tomorrow Prime Minister P. Jasrai has sent a message to the director general of the organization. The message has highly appreciated the significance of UNESCO activity and mentioned with gratitude its contribution to the cause of strengthening the material fascilities of science culture and mass media organizations, further increasing intellectual potential and protection of culture monuments of Mongolia.

The newspaper has reported about concluding the congress of art workers at which issues of reviving the national cultural traditions, strengthening the art institutions by highly qualified cadres have been discussed and a new rule has been adopted. The honoured artist B. Zangad has been reelected chairman of the union.

The newspaper publishes an interview of its correspondent with Ch. Galsan, a writer and journalist, who has returned after participating in the world congress on blaming uranium as one of the sources of nuclear danger which held in Salzburg (Austria). He stressed that Mongolia failed to escape the impact of nuclear weapon test carried out in China and Kazakhstan to say nothing of uranium mine being in the country information of which up to now has been restricted in every way.

The MPRP [Mongolian People's Revolutionary Party] central organ newspaper "UNEN" carries an article "Ownership Standard". According to this private property ownership should be a guarantee of living standard. After 70 year preference the public ownership Mongolian citizens became alienated of other kinds of property which is seriously telling on the state of affairs in industry now. The newspaper has emphasized the need of acquiring the private ownership standard.

Ch. Ulaan, the national development department head and one of the youngest ministers in the new government underlined that the department headed by him is dealt with in issues of regulating foreign credits and aid, their coordinating with economic, technological and investment policies of the state. He stressed that the new government should show its capability of applying with efficiency foreign credits and aid being rendered.

The newspaper publishes an article by a journalist Ya. Davaa who expressed his anxiety of useless waste of material financial means and currency being accumulated before which is according to him one of the main reasons for the economic difficulties experienced by the country.